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# Near East/North Africa Report

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14 September 1982

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## UNOFFICIAL STOCK MARKET GROWS

Kuwait ARAB OIL in English No 8, Aug 82 p 29

[Text]

**A**n unofficial stock exchange has spontaneously grown up in Bahrain and hopes are it will emerge as a major feature of the Gulf financial world in the coming months, according to Khaleej Times.

About 12 brokers are already operating in the Al Jawahara building, originally planned as a shopping centre, next to Manama's central market.

Within the past two months all the available space has been let to broking companies, many from Kuwait, and work is continuing daily to convert units into offices.

"Everything is developing very fast and I have no doubt that sooner or later we will have a proper stock exchange here," said Mohammed Khalil Jawahery, managing director of the Danat Al Khaleej Investment Company, which has an office in the building.

"We are dealing with Gulf shares as, of course, it is only nationals of Arab Gulf Cooperation Council states that can buy. We have been finding that many Kuwaitis and Saudis are coming to Bahrain to buy and sell.

**Wide range**

The range of shares being traded covers all areas, especially those of banks, finance houses and investment companies.

"I think the market has grown up here as it is one of the most convenient places in Manama to set it up. If you compare it to Kuwait you see they have two markets there, one official and one unofficial.

"It is far better for the customers and the companies to have one place to go to," Jawahery said.

One spur to the formation of the market was the huge public interest in the Bahrain

and Middle East bank share floatation in March. Sales of shares in the United Gulf Bank started recently, and this too is expected to result in another display of share fever.

"Business has dropped off in the last few days but prices are picking up again," he said. "There was a lot of supply and demand which fell off for a number of reasons, including the Gulf war.

"A lot of business is coming from Kuwait, we are talking about sales of millions of shares."

With no official list of opening and closing share prices, judging demand can be difficult. "Obviously all the brokers are in touch with each other," he said. "Most of the business is done between Monday and Wednesday, on Saturday and Sunday people are still sorting themselves out for the week and on Thursday most offices in Saudi Arabia and Kuwait are closed."

The Gulf Share Centre is another recently opened company. "We are trying to create a stock market here, and we are trying to concentrate Gulf share dealing here," said partner, Fouad Almutawa. "Kuwait has the biggest market but it also has restrictions which hamper business."

An example of this was the ban on founders of new companies dealing in shares.

"Generally the turnover in Gulf shares is very high," he went on. "Investors can get good profits out of tiny movements. If you hold hundreds of thousands of low value shares and the value moves up only one or two cents, you will do very well."

### **Crazy**

He said many people thought it "crazy" to trade in Gulf shares instead of in the Japanese or United States exchanges.

"Japanese shares have a greater earnings per price ratio than US, but in the Gulf we have the oil money which means great liquidity. People have money to spare and that means share prices and profits can go up quickly."

Broker Fawaz Al Zayani commented: "Kuwaitis are looking at this as another big market and are coming here to buy and sell. I think the largest here so far has been for 300,000 dollars.

"The stock brokers have come there because they need to work with each other. I cannot do well sitting in an office building by myself, if I want to buy some shares here I will go to a nearby office and get them directly, that is far better than doing things over the telephone."

Mohammed bin Khalid Al Khalifa, who owns the building along with his father, said that all the 157 units are now taken, 90 per

cent in the last two months by stock brokers.

"Before, they were all around Bahrain and were dealing in shares without a setting," he said. "Some brokers came down from Kuwait and were very interested in the building because of its good setting and good design."

The building is a covered precinct and its shady walkways are cool even in the summer.

### **Attraction**

Rocketing costs for offices in the Kuwaiti centres have been another attraction. A three meter by six meter office in the main exchange building can have a price tag of up to 63 million dollars. In Al Jawahara, 50 firms are from Kuwait and about the same number are from Bahrain: Bahraini brokers are keen to see commerce ministry involvement in share dealing, especially on official price lists. Approaches have been made urging the ministry to open an office in the Al Jawahar building.

"For the time being nothing has been decided on this," said commerce director Ahmed Hubail. "As for the future we cannot tell "

CSO: 4400/446

## BRIEFS

NEW MUNICIPAL HEADQUARTERS--Bahrain's Central Municipal Council will move to BD 1.5 million new headquarters in Isa Town in the next five years. And three local municipalities will get their own premises next year. Saeed Ali Al-Sairafi, Director of Finance, Administration and Legal Affairs at the CMC, said work on the new headquarters would start near the Traffic Directorate in 1984 and would take three years to complete. Bahrain presently has 11 municipalities including the one in Askar in the eastern area which was opened earlier this year. Four of them are housed in rented buildings. Mr Al-Sairafi said work on new buildings for municipalities in Rifa'a, Western Area and Central Area would start this year. The Rifa'a municipality's own building which is very old will be demolished and replaced by BD400,000 new premises. The Western and Central area municipalities, which have no premises of their own will get new buildings at a cost of BD100,000 each. Work will start this year. [Text] [Manama GULF DAILY NEWS in English 9 Aug 82 p 5]

FISHERY PROJECT--Work on Bahrain's first fish farm, will start later this year. The Directorate of Fisheries has signed a contract with the UN Food and Agricultural Organisation (FAO) to get the services of two experts for the project. "One of the experts will help us in a fish pond construction," said Khalid Fakhro, Director of Fisheries. "The other one, a marine aqua-culturist, will carry out a one-year feasibility study," he added. Final details of the fish farm are now with the Directorate of Construction, Projects and Maintenance at the Ministry of Works, Power and Water. "We hope by the end of 1984 we will be able to breed some commercially important fish for Bahrain," Mr Fakhro said. The fish farm is part of a five-year plan to improve the island's fisheries. The projects also include the building of six fishing ports and the introduction of common management and conservation around the Gulf. Work on the BD 1.5 million port in Muharraq has already started. "Tenders will be out soon for starting work on the port's infrastructure," Mr Fakhro said. [Text] [Manama GULF DAILY NEWS in English 1 Aug 82 p 5]

CSO: 4400/446

STEEL INDUSTRY REACHES BREAK-EVEN POINT

Cairo THE EGYPTIAN GAZETTE in English 18 Aug 82 p 3

[Text] The Minister of Industry, Mr Faud Abu Zaghia, yesterday announced that the iron and steel industry in Egypt has crossed its break-even economies and is now making real profits.

The overcoming of certain administrative problems and the elimination of certain overhead costs have culminated in profits amounting to LE 7.3 million, said the Minister in clarification of certain points related to the industry.

The iron and steel industry, he said, is one of the basic heavy industries which need long years to realise their equilibrium. In a developing country like ours, he added, it is a praiseworthy achievement to go with such an industry without any interruption in spite of adversary economic and political circumstances.

One of the problems which hindered the natural course of the iron and steel industry in the past years was the shortage of liquid money and the lack in foreign financing through loans.

About the sluggish stock in certain industrial companies the Minister said that we have to be accurate on reporting what kind of stock is sluggish. In dealing with raw materials it is normal to have a good deal of stock that suffices the needs of industry so that the production would not be exposed to any interruption.

Mr Abu Zaghla said that the stock of raw materials covers the needs of industry for five months, which is an adequate reserve that should be maintained. As for the stock of finished products, the Minister said that the sluggish stock is valued in terms of money at LE 35.4 million only, out of a total marketable stock of LE 354.1 million, which in itself represents the outcome of one month's production.--GSS

CSO: 4500/276

## NEW SEWAGE SYSTEM PLANNED FOR CAIRO

Cairo THE EGYPTIAN GAZETTE in English 16 Aug 82 p 2

[Text] The government will start a new major sewerage system project to face the sewerage problem which Greater Cairo has been suffering from in the past years, according to the Deputy Prime Minister for Services and Local Government, Mr Nabawi Ismail.

In an interview with an Arabic newspaper yesterday the Deputy Prime Minister said the complaint about the deterioration of public utilities in Cairo particularly the water supply and sewerage facilities is not unjustifiable as the public utilities had been established at the time to satisfy the needs of less than three million people while the capital is currently overcrowded by more than 6.5 million people.

Renovation attempts in the past were hampered by the war circumstances and continuing deficiency in funds. However, the Deputy Prime Minister announced that the projected giant sewerage complex would offer a basic solution for the problem.

The sewerage complex would be laid out with pipes of a diameter of three to five metres at a depth of 15 metres. This will extend from Maadi in the south to Amiriya in the north, covering the whole of Greater Cairo. The work will be started next year.

The Cairo Sanitary Drainage Authority is to be excused for the shortage of possible means to face the intolerable pressures on its deteriorated network, particularly since the Authority suffers from various problems caused by factors and circumstances beyond its control.

For instance power failures so often hinder the equipment of the Sewerage Authority from working resulting in the overflowing of drainage water in certain districts. This in addition to the negligence and bad habits of the citizens who hurl their garbage into the sewers, not realising how much damage this causes.

The bad use of water and negligence in maintaining the potable water taps add another burden to the Sewage Authority's tasks. Another consideration is the shortage of technicians and skilled workers who abandon work in the Sewerage Authority's tasks. Another consideration is the shortage of technicians and skilled workers who abandon work in the Sewerage Authority for jobs with more lucrative wages.--GSS

CSO: 4500/276

# REACTION TO RAT ERADICATION PROGRAM

Cairo AL-SHA'B in Arabic 13 Jul 82 p 9

[Article: "Will the Government Interfere Before the Problem Turns into a Catastrophe?"<sup>7</sup>

[Text] The severe shortage in agricultural production that the common citizen feels is no longer due to the creeping desert, soil erosion, encroaching buildings or even crop disease. There is now an impending danger that threatens agricultural production in Egyptian villages: Rats. They are new phenomenon that did not exist in agricultural lands before, and appeared only 3 years ago. Despite the warnings then addressed to the officials in charge, rats were neglected, with the result that now Egypt's agriculture is endangered.

AL-SHA'B today is sounding the alarm, as had done before Ahmad al-Faqi, the People's Council representative of Aja County in the Daqahliyah Province and a member of the Parliamentary body of the Socialist Labor Party. In February 1980 he raised his voice in the People's Council with warnings about rats. AL-SHA'B then went to al-Mahalla al-Kubra in the Gharbiya Province and Aja County in the Daqahliyah Province, and came out with this report that we now present to the minister of agriculture.

Our tour started in the Daqahliyah Province. There AL-SHA'B met with Ahmad al-Faqi, People's Council representative of Aja county. He told us he had warned about the danger of rats more than once, and that he has adopted this serious problem inside the People's Council.

He added that he wrote a memo to the minister of agriculture saying he wished the minister would see for himself the wheat fields laid to waste by rats, until the price of 5 qantars of what now reached 25 pounds. He invited the minister to see the cotton fields where cotton twigs were consumed by rats, orchards ruined by rats and barley fields that became the largest refuge for hundreds of thousands of rats. Al-Faqi emphasized that this is now a very serious phenomenon.

AL-SHA'B then met with a number of farmers. Wafiq Mitwali Tobar, member of the local council of Aja county, said that the rats did not leave anything, to such an extent that the wheat crop in Aja registered a loss of 70 percent this year. Same thing applies to rice which registered a drop of 60 percent, and vegetables which registered a loss of 50 percent.

He added that a qantar of fodder, which used to cost 2 pounds, reached 5 pounds this season and is still going up.

The minister of agriculture is required to form working corps of students during summer vacation to fight rats in return for certain prizes to be given away to students.

What is also wanted is religious conscientiousness in distributing pesticides and insecticides, instead of members of the agricultural cooperatives giving them away as gifts and bribes to some people.

Ahmad Hamad Hijazi of the Sahrajat al-Sughra village in Aja said that rats are the most serious threat ever to face agricultural lands and that it is being resisted by all available means. But this resistance has so far proved weak, because what is needed is a national campaign led by the government throughout the country. This had not happened, and the result was that rats have eaten everything, even animal fodder. There is even a trend now in the village to turn to breeding cats and letting them loose in the fields to counter rats.

Muhamad Ismail Shahawi, a farmer in the village of Dayr, says he has failed even in raising chicken, because the rats were not satisfied with attacking crops, they have even attacked the chicks and killed them. He was not successful in his attempts to prevent this.

Muhamad Abdul-Fatah Ahmad, a farmer in the village of Shannisah, says the farmers have invented some means to resist rats. An original method is to prepare 5 kilograms of fancy baqlavah, and mix it with Andrin, a poison used to kill rats. Other farmers prepared 20 kilograms of fish, treated with the same poison. But all these methods have proven only partially effective.

Mahfuz Hasan al-Ashmawi, member of the local council of Aja and member of the joint society there, reported that the director of agriculture in the county said they did not have rat poison, and that the poison they had was one for which the rats had developed an immunity. This was in a session of the local council of Aja on 20 June, 1980. But the director did not offer a solution: Do we leave the fields to the rats? The affliction with rats has caused estimated losses of an average of 40 percent in all crops.

Ibrahim Sa'd, member of the local council of Aja, said there was no alternative for government intervention to launch a campaign that would get rid of rats. Rats did not only attack crops, today they are attacking homes and threatening children in their sleep.

This was confirmed by Mr Muhamad Abdul-Nabi, member of the local council of the village of Shubra Wish.

Mahmud Abdul-'Aziz Azzam, manager of the Benzayon stores in Aja, maintained that the rats did not only attack agricultural lands, but invaded houses and stores as well. He said rats spoiled a large part of the goods he had in the



store, particularly clothes and fabrics. These losses, of course, were the loss of the public sector.

AL-SHA'B then went to the Gharbiya Province, namely the village of Hayatem in al-Mahalla al-Kubra, as well as some neighboring villages.

There Mrs Iffat 'Abdal-Hamid Sulaman told us that rats did not exist in the village 3 years ago, but now they constitute a dangerous phenomenon that really threatens agricultural production. The losses for this year alone exceeded 50 percent of the crops. Suffice it to say that the minimum yield of feddan last year was 15 ardab, despite the existence of rats, but this year it went down to 7 ardab. Within 2 days, the crop of melons registered a loss of 50 percent.

Now that all methods to fight rats have failed, children were brought in, 12 children that is, to fight rats manually. A child receives 3 piasters for every rat he catches. The result was astonishing. Children have been catching 800-900 rats daily.

Today, after the crop was lost, there is no more fear in that respect. The fear now is from epidemics that rats can carry. Plague is therefore an imminent threat. What is required is a firm intervention by the state to prevent that. There is a need for all the available experience in this field to protect human life and Egypt's agriculture.

Makhluf Ahmad Shahawi also planted 1 fedan of wheat, and did not get any yield. Same was the experience of Uways Muhammad Ahmad Shahawi, who planted 2 fedans, one with wheat and the other with corn, with no yield whatsoever. The latter added that he is now afraid of planting anything again, for fear his efforts would again be lost. He explained that all the investment the farmers put in the land was thus wasted.

In the agricultural society AL-SHA'B met with a number of agricultural engineers. 'Abdal-Hamid al-Sayid Salim, agricultural engineer in the Hayatem society, told us that losses varied from one type of crop to the other. In wheat losses were 85 percent, whereas in rice they were 50 percent, fodder 40 percent, cotton 40 percent and vegetables 80 percent.

The worst losses were registered in the Hayatem village, in Saft Turab, Abshish, Bulqinah and Manshiyat Shantat Ayash, all in al-Mahalla al-Kubra.

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CSO: 5400/5019

MONTAZERI RECEIVES OUTGOING ALGERIAN ENVOY

Tehran TEHRAN TIMES in English 20 Aug 82 p 2

[Text]

QOM (IRNA) - Abdelkarim Gharaib, the outgoing Algerian Ambassador to Iran, met and conferred here Thursday with Ayatollah Montazeri.

In that meeting, Gharaib said the Islamic Revolution of Iran was a point of hope for the world oppressed and therefore it had been massively welcomed by them. He also said he would do his best to convey the message of the Iranian Revolution in whatever foreign country he would be.

Ayatollah Montazeri, in response, wishing ever-increasing victories for the Algerian and Iranian nations, urged the world's Muslims to break the colonialist bonds and to achieve their independence through reliance on Islamic values.

He also called on the Non-Aligned countries not to suffice to slogans merely but to cut practically their cultural, military and political dependencies on the superpowers.

Talking about the Iraqi imposed war, Ayatollah Montazeri said Iran had been invaded by Iraq which was backed by western and eastern superpowers. However, added the Ayatollah, the Islamic combatants succeeded in repelling the aggressor and now Iran was on threshold of final victory.

Ayatollah Montazeri also urged the Third World countries holding membership in the UN, to rise up against the veto right of the superpowers and resist against "this in-human law."

CSO: 4600/742

# NABAVI URGES EXPANSION OF TIES IN INTEREST OF NON-ALIGNED STATES

Tehran TEHRAN TIMES in English 21 Aug 82 p 2

[Text]

## PYONG YANG (IRNA) -

A technical and economic delegation of the Islamic Republic of Iran headed by the Heavy Industries Minister Behzad Nabavi, met with President Kim Il Sung, the leader of the Democratic People's Republic of Korea (DPRK), here Wednesday morning.

The Governor of the Central Bank of Iran, Dr Mohsen Nurbakhsh, Majlis Deputies, Fuzo Karimi, Masumi and Amin Naseri, the Ambassador of Islamic Republic of Iran to the DPRK Nahavandian and four other Iranian officials attended the meeting.

Kim Il Sung condemned in the meeting the plots of U.S. imperialism, emphasized the anti-imperialist position and especially the anti-American stand of both Iran and the DPRK and expressed his willingness for expansion of mutual relations between the two countries.

Behzad Nabavi conveyed, in the meeting the verbal message of President Khamenei to President Kim Il Sung.

In his message, President Khamenei stated the Iranian support for the anti-colonialist and

anti U.S. struggles of the DPRK. The message also considered the trip of the Iranian delegation to Korea as a suitable opportunity for expanding bilateral relations.

Nabavi also submitted written message from President Khamenei to Korean President. In this message the Iranian president had warned about the plots of U.S. imperialism to disrepute the Non-Aligned movement and said that the Non-Aligned countries should resist against holding of the Non-Aligned Summit preliminary conference of their foreign ministers in Baghdad, since Iraq was no longer qualified to remain a member of this movement because of its aggression against Iran, and because the hosting of the Summit meeting by an aggressor country would jeopardize the future of the movement.

Nabavi praised the efforts of the Korean people for becoming selfsufficient and independent and added that the Islamic Republic of Iran promised to curtail the U.S. hands in the region, by the Iranian nation under the leadership of Imam Khomeini. He said

that Iran considered its confrontation with Iraq as a challenge by U.S. imperialism and that Iraq's defeat would be in fact an eventual set-back by the U.S. He also proposed that the Third World countries expand their economic relations in a bid to eliminate their dependence towards the super-powers.

In this one hour and 45 minute meeting, the DPRK President condemned the Zionist aggression against Lebanon backed by U.S. Imperialism and praised the Iranian triumph under the leadership of Imam Khomeini.

President Kim Il Sung also supported the Iranian viewpoint about the venue of non-aligned Summit. The Iranian delegation later visited the complex of a ship manufacturing, factory in the DPRK.

The Iranian delegation also attended a banquet Tuesday night. The economic Deputy Prime Minister of the DPRK praised the victories of the Islamic Revolution of Iran under the leadership of Imam Khomeini and requested the expansion of Mutual relations.

The Korean radio and television have covered widely the reports of the visit here by the technical and economic delegation of the Islamic republic of Iran. The official paper of the country, and organ of

the Labor Party has reflected the news of the visit of the Iranian delegation to Korea.

Behzad Nabavi Met and conferred with the Foreign Commerce Minister of the Democratic People's Republic of Korea (DPRK) Choe Jong Gun.

CSO: 4600/741

# IRAN, DPRK SIGN LETTER OF UNDERSTANDING

Tehran TEHRAN TIMES in English 22 Aug 82 pp 2, 3

[Text]

**PYONGYANG, (IRNA)** - Iranian Minister of Heavy Industries Behzad Nabavi, heading a delegation to the Democratic People's Republic of Korea (DPRK) met Korean Deputy Prime Minister here, on Friday night.

Behzad Nabavi, speaking at the meeting stressed on expansion of bilateral economic and political relations. In another part of his speech, Nabavi referred to the characteristics of the Islamic Revolution of Iran and to the decisive leadership of Imam Khomeini, the leader of the Revolution. Nabavi also referred to the determined principles of the Islamic Republic of Iran in its foreign policy and to the common positions of the two countries which would be considered for the expansion of economic, political and technical ties.

Earlier, Behzad Nabavi, met and conferred with DPRK Deputy Prime Minister in Charge of Economic Affairs on Friday afternoon.

The head of Iranian mis-

sion to DPRK also signed a letter of understanding in industrial, mines, agriculture, fishery, road and transportation, and electricity fields.

According to this agreement, the amount of goods to be purchased from DPRK by the Islamic Republic of Iran in the late five months of 1982 will reach \$ 70 million and the figure will be \$ 240 million for 1983.

Behzad Nabavi, also held talks with the Vice-Chairman of the People's Supreme Assembly of the DPRK.

In this meeting, also attended by three Iranian Majlis Deputies, Nabavi conveyed a friendly message from the Iranian Majlis Speaker, Hojjatolislam Rafsanjani, to the People's Supreme Assembly of Korea and said he hoped that relations between the two countries would be further expanded.

Foad Karimi, Iranian Majlis Deputy and the head of Economic Committee of the Majlis, also spoke in the meeting and expressed hope

that the Iranian delegation would achieve positive consequences in the interest of the two nations.

Expert groups from both sides are continuing talks. Nabavi also visited residential areas and other parts of the city of Pyongyang.

Meanwhile, the Director General of the Central Bank of Iran and member of the Iranian delegation here, Dr. Nurbakhsh left Pyongyang Friday for Thailand, Malaysia and Singapore. Before his departure, Dr. Nurbakhsh said Iran was interested in seeing the volume of commercial exchanges between Third World countries increased in order to reduce the dependence of these countries on the western capitalist powers.

Nurbakhsh added that he would review his proposals with the heads of the Central Banks of Thailand, Singapore and Malaysia.

The Iranian delegation left Pyongyang for Tehran after signing the letter of understanding.

IRANO-INDIA TRADE TALKS TO START HERE SOON

Tehran TEHRAN TIMES in English 21 Aug 82 p 1

[Text]

**TEHRAN (IRNA) -** An Indian trade mission headed by the Commerce Minister, Shivraj Patil is due in Iran next week.

It is expected he will sign a contract on commercial exchanges between the two countries, as announced on Thursday by Deputy Commerce Minister, Majid Hedayatzadeh who recently returned from India.

Hedayatzadeh, who was speaking during a televised interview discussed the results of commercial negotiations conducted between the Iranian mission and Indian officials in India.

Stressing that the foreign trade of the Islamic Republic of Iran was based on the "neither East nor West" dictum, Hedayatzadeh said that Iran would seek commercial ties with the Moslem Third World and Non-Aligned countries as well as those countries which harbored no patent hostility towards the Islamic Republic of Iran.

Hedayatzadeh discounted the need for "middlemen" in commercial relations between

the two countries, saying his mission had conducted direct negotiations with Indian officials and it was agreed that most of Iran's purchases be made from India directly.

He added that previously Iran's dealings with India were conducted through European countries, causing a rise in prices. Now Iran has succeeded in breaking away from this practice and will deal with India directly.

Regarding the export of domestic goods, the deputy commerce minister explained to an IRNA reporter that Iran had dispatched carpets, sulphur and other natural products to India in the past but at present the volume of this trade had decreased. He further added that Iran was doing its best to increase the quantity and quality of such exports to India.

Major purchases of Iran from India, he said, included basic commodities like meat, chicken, eggs, sugar, rice and grains, which is soon to be dealt with on a barter basis.

IRAN

PRODUCTION INCREASES REPORTED BY SEVERAL ENTERPRISES

Iranshahr Milk Pasteurization

Tehran JOMHURI-YE ESLAMI in Persian 28 Jul 82 p 9

[Text] In the current year two factories, one for polyethylene and the other for pasteurized milk, will be built in Iranshahr, and 70 percent of the construction work has been done by this city's Reconstruction Crusade.

While announcing this brother Mortezaei, a member of the Reconstruction Crusade Council of Iranshahr told JOHMURI-YE ESLAMI'S correspondent: The polyethylene factory has a capacity of 4,000 tons per year and the milk pasteurizing plant has a capacity of 25 tons a day. When they begin operation these two plants will employ 75 people and the province will also be self-sufficient in this regard.

Concerning the matter of procuring electrical power for the rural residents of Iranshahr he said: With the unstinting efforts of the wholehearted brothers of the Reconstruction Crusade the first electrical power network for Lashar in the Iranshahr vicinity with a length of 44 kilometers, which is more than 95 percent completed, will be ready to use by 21 June. Thirteen villages in this district will be covered by electrical power. This network has 15 transformers and two generators, each one with a 260-kilowatt capacity. Also more than 95 percent of the work of building the Nikshahr-Qasdfand electrical power network has been begun. It will be 77 kilometers long with four generators each one with a capacity of 650 to 800 kilowatts and will be ready to use soon. He added: The Iranshahr Reconstruction Crusade dairy is presently keeping 200 thoroughbred dairy cows which produce 800 to 900 kilograms of milk per day for consumption by the residents of this city and the surrounding villages. This unit plans to buy 100 thoroughbred dairy cows from the Central Reconstruction Crusade Livestock Committee in order to expand the dairy.

The member of the Reconstruction Crusade Council of Iranshahr said concerning the construction of roads in this area: During the first three months of the current year [21 Mar-21 Jun] around 40 kilometers of road among the villages of the districts of Chanef and Sarbaz, the construction of which began last year, have been completed and made available for use.

## Cement Manufacturing

Tehran JOMHURI-YE ESLAMI in Persian 28 Jul 82 p 10

[Speech by Minister of Industries Mostafa Hashemi]

[Text] The Minister of Industries was sent to Spain and East Germany as the head of an industrial and commercial delegation. In the current year 10 million tons of cement will be produced.

According to the ISLAMIC REPUBLIC NEWS SERVICE Mostafa Hashemi, Minister of Industries, was sent to Spain and the Democratic Republic of Germany at the head of an industrial and commercial delegation composed of members of the ministries of Heavy Industries, Commerce, Petroleum, Mines and Metals, the Foreign Ministry, and the Central Bank. Concerning industrial cooperation with these countries the Minister of Industries told the ISLAMIC REPUBLIC NEWS SERVICE in an interview prior to leaving on this trip: On this trip a study will be made of their manufacturing capacity, their mining equipment, tools for heavy industry, their manufacture of generators and turbines, and other equipment the country needs. He added: Talks will be held on this trip in collaboration with the Ministry of Commerce with regard to meeting the country's commercial and industrial needs such as basic industrial tools and equipment needed by industry. The Minister of Industry then said with regard to the increase in production of cement and iron girders within the country: The capacity of the country's cement factories is supposedly 13 million tons per year. Last year 9.5 million tons were produced. This figure will reach 10 million tons this year. He added: If some of the problems are solved in the cement factories we will be able to increase production to 12 to 13 million tons per year. Hashemi said concerning the shortage of iron in the country:

Last year 550 thousand tons of iron were produced domestically. Considering the fact that Iran's annual iron consumption is more than two million tons, naturally the rest of the iron must be imported from abroad.

## Lordegan Asphalt Plant

Tehran JOMHURI-YE ESLAMI in Persian 28 Jul 82 p 10

[Interview with Engr Madani, managing director of the Office of Roads and Transport, Province of Chahar Mahal, Bakhtiari]

[Text] Engineer Madani, managing director of the Office of Roads and Transport of the Province of Chahar Mahal va Bakhtiari, told ISLAMIC REPUBLIC NEWS SERVICE in an exclusive interview: Last year 2,374,867,000 rials credit was allocated to this office, 2,094,007,000 rials of which, with the efforts of the brothers, was spent on the construction of village roads, the purchase of lightweight and heavy machinery, and the construction of asphalt plants in Lordegan.



He added: The most important activity of the province Office of Roads and Transport was concentrated in the oppressed residential areas, and the asphalt plant of the municipality of Lordegan, which has an important role in the matter of road building in the area and will be ready to use in the month of Mehr [23 Sep-22 Oct] of the current year. At the present time 11 different projects are being carried out in this area. An effort has been made to spend a quarter of this year's budget directly ourselves so that those who believe that the government is not a good contractor will realize that this assumption only applied during the former regime. Through the execution of several projects in 1982, 300 million rials have been spent on non-contracted jobs.

Concerning the highway offices of Chahar Mahal, Bakhtiari, Engineer Madani said:

At the present time three highway offices are operating in Lordegan, Farsan, and Ardel. Next year highway offices will be operating in Chehelgerd, Samsami, Sarkhun, and Mal Khalifeh.

Concerning the roads in Bazeft, Borujen, and Shahr-e Kord, the managing director of the Office of Roads and Transport of the Province of Chahar Mahal va Bakhtiari told ISLAMIC REPUBLIC NEWS SERVICE: In order to establish communication between the people of Shahr-e Kord and Bazeft the revolutionary guard brothers have been supplied with wireless communicators. Road construction activity in the Bazeft area is continuing vigorously with the equipment that the Office of Roads and transport has made available to the wholehearted brothers of the Reconstruction Crusade so that congested and difficult portions of this road will be opened as quickly as possible. He added: Twenty kilometers of the Borujen-Shahr-e Kord road have been asphalted. If work goes according to plan, by 21 November the Shahr-e Kord road will be asphalted from the municipality of Borujen to Polis.

Concerning projects which are being carried out this year Engineer Madani said: In the current year 19 village roads totalling 590 kilometers in length and six asphalt road projects totalling 194 kilometers are being carried out either directly or through contractors. Other plans of the Office of Roads and Transport of the Province of Chahar Mahal va Bakhtiari for this year include 28 residential units with foundations totalling 4,640 square meters and several bridges.

Concerning the financial and non-financial assistance given by the employees of the office, the managing director of the Office of Roads and Transport of the Province of Chahar Mahal va Bakhtiari said: Since the beginning of the mercenary Iraqi regime's imposed war on Iran, the employees of this office, like their other compatriots, have been active in strengthening the rear echelon and have allocated one to three days of their pay every month to special accounts for war refugees. Recently they have been allocating most of their help to the reconstruction of the war areas. In addition to financial assistance so far 28 roadbuilding machines with the necessary accessories have been sent to the country's Western fronts by the Office of Roads and Transport of the Province of Chahar Mahal va Bakhtiari.

9310

CSO: 4640/439

PROGRAMS FOR MAXIMUM DEVELOPMENT OF AGRICULTURE OUTLINED

Tehran KEYHAN in Persian 27 Jul 82 pp 5, 15

/Report by Minister of Agriculture and Rural Development Mohammad Salamati/

[Text] The start of the harvest season in most parts of the country has begun at a time when according to those involved in the business the output of agricultural products, particularly wheat, have shown increases compared to last year. The relative increase in farm products comes at a time when our country is under economic pressure because of the imposed war. Moreover, the lack of a clear program for agricultural development adds to the difficulties.

The agricultural sector has been chosen at the present time as the axis of economic expansion in strengthening the general economy and achieving selfsufficiency. This choice has been based on such factors as job generation and utilization of domestic reserves and resources. The attention directed toward agricultural development in coordination with other economic sectors, if accompanied by careful planning and tailored to needs and available resources, will enable the responsible officials and the people to resolve the country's present agricultural problems, particularly problems emanating from a lack of planning, the inadequacy of technical and developmental service and the inadequacy of reconstruction of farmlands damaged by the imposed war.

Moreover in carrying out long-term agricultural programs, the mobilization of the people and their active participation will greatly affect their success. As the minister of agriculture has said: "Given the present administrative system there is no possibility of achieving longterm economic growth programs. For this reason popular mobilization has received attention." In this report we have discussed with the minister of agriculture and rural development conditions and factors affecting the harvest season as well as agricultural output levels under the long-term development programs of the Ministry of Agriculture and Rural Development:

At present a large portion of our imports consist of agricultural products for which large amounts of foreign exchange go out of the country each year.

Because of this, it is not possible to achieve economic independence without agricultural selfsufficiency. Increased agricultural output is only possible through planning so that farmers can attend to cultivation, crop care and harvesting with peace of mind and without anxiety.

Economic experts say that in case of a lack of programming and government support as well as less than clear targets in cultivation, use and harvesting phases, middlemen and futures dealers will take advantage of the weak economic condition of farmers and their urgent cash needs by buying their products and fruit of their labor at low prices in advance; and/or as a result of a lack of planning the levels of agricultural output will be determined by market fluctuations in that high demand for one particular product in one year will encourage most farmers to sow that product the next year, thereby causing the over-supply of one product and shortages of other items. In such cases not only are agricultural possibilities wasted but the farmers suffer losses. It must be pointed out that when such conditions occur in Western countries, in order to maintain high price levels, surplus products are dealt with in various ways such as being thrown into the sea or burned even though the hungry of the world are in dire need of food items. Clear-cut agricultural growth and development planning will provide for needs as well as prevent waste of resources and possibilities.

#### Harvest Season

The harvest season has now started in most parts of the country as farmers reap the results of their one-year labor. Harvesting costs differ according to crop as well as the equipment and technology used in the process. In some cases in the past, such costs forced farmers to leave their year's work unharvested. The reason for this must be sought in past colonial policies because as a result of the import and sale of wheat and other products at fixed and low prices, with the government subsidizing the loss, the potential for agricultural output, especially of wheat, was destroyed because of cost of output. With efforts under way toward selfsufficiency and eliminating dependencies existing in regard to agricultural products, it becomes necessary to concentrate on domestic farm output, even if it involves high output costs in order to safeguard national resources. In order to increase output levels, it is necessary to create easy conditions for the sale of agricultural products at above-cost prices. At the same time the availability of needed machinery and facilities will help farmers to harvest better and on time.

Referring to the harvesting situation this year, the Minister of Agriculture and Rural Development told our correspondent: In the past the start of the harvest season was coupled with problems for farmers because no attention was paid to harvest operations. In some areas harvesting started late or not at all, obviously causing losses. This year, as last year, through planning and the readying of needed facilities, we had a very good harvest season. The majority of the dear farmers are satisfied about the operations and fortunately no problem has arisen this year whereas in the past they were dissatisfied over the inadequacy of help given to them by the Ministry of Agriculture during the harvest season.

Referring to this year's harvest he said: "It appears that wheat production this year shows an increase over last year. Of course we cannot accurately announce the percentage of the increase. The fact is we do have an increase and one indicator is the higher surplus bought from farmers. Although this year the government has not considered any limitations so far on the sale of wheat surplus by farmers, the current surplus sale compared to last year shows a 40 percent jump. These increases are mainly in Khuzestan, Fars, Kerman, Yazd, Central Province, East Azarbiajan and.... We hope all agricultural products will show increases over last year. Of course, some regions, because of special water and climatic conditions, may not only fail to show any appreciable increase but register a slight decrease. But on the whole, God willing, we will have increased wheat output."

While pointing to increased barley production, the minister of agriculture and rural development spoke about the reasons behind this year's higher output by saying: "Increased agricultural output is due to the efforts of farmers, most important the kindness of the Almighty and the guidance provided by the Imam of the people as well as services provided farmers by the Ministry of Agriculture and Rural Development."

Explaining the services provided by the Ministry of Agriculture and Rural Development to farmers and the effect of such help in increasing output, he said: "These services have been in the form of providing equipment and agricultural facilities as well as technical and training needs."

During 1981-1982 more seed, fertilizer, insecticides, tractors and equipment were supplied compared to the previous year despite existing pressures. The distribution of seed was 30 percent more while the number of tractors provided were 45 percent more than the previous year."

#### Agriculture Ministry's Ten-Year Plan

Agricultural development along with growth in other economic sectors has become the pivot and base of the country's economic progress. The Minister of Agriculture and Rural Development had this to say regarding the choice of the agricultural sector as the pivotal factor of economic growth in future planning and the 10-year agricultural plan drawn up by his ministry: "The 10-year plan has been drawn up because agricultural growth has come to be accepted as a pivotal factor in the country's economic development. Of course from the time of the government of the martyred Raja'i we were submitting that agriculture must become the axis of economic expansion. At that time most members of the cabinet were in favor, but since no comprehensive planning was contemplated then, this matter also did not receive consideration."

He added: "During the present government of brother Musavi we brought up the relationship between agricultural growth and other long-term programs. It was accepted and decided that agriculture should be the axis of economic development and that other economic sectors should draw up and submit their programs oriented toward agricultural growth. Naturally, when various economic sectors continue their programs in the direction of agricultural

growth, those sectors will be strengthened as a result. For example, when the industrial sector tries to help the agricultural sector, it is obliged to strengthen and expand agricultural industries in order to meet the needs of the agricultural sector. This requires human and material forces, sparing industries from indecisiveness and less than clear direction and allowing them to follow a clear-cut path. This action by the industrial sector results in agricultural growth while agricultural growth itself can come to provide the raw material needs of industry."

The Minister of Agriculture and Rural Development then spoke about resources needed to carry out the 10-year agricultural development plan by saying: "It may be said that in strengthening agriculture we are up against limited water and land resources. It must be pointed out that in our country even the available water and land have not been properly utilized because much land has not been put under cultivation and in some areas, despite available means, nothing has been done in expanding acreage. We have not done much in this regard. We hope that as reflected in the 10-year program that in many respects we shall achieve selfsufficiency and in some cases reach the exporting phase."

He added: "The 10-year agricultural program has been based on the utilization of the potentials of the country and we hope to make full use of water and land resources of the country in the next 10 years, to benefit from all resources such as the sea to provide the country's protein needs from fish, to achieve satisfactory growth of forests and pastures and to use all available means for the development of animal husbandry."

He added: Insofar as the 10-year program is concerned it must be said that in many instances, given the present administrative system, the targeted growth rates of the program cannot be achieved. For this reason we have given consideration to popular mobilization in the sense that just as all the endeavors of the people and officials are now geared as a priority against the imposed war, so after the war will the same concentration of mobilized means and facilities go to the support of the priority agricultural sector in achieving the total meaning of agricultural growth: in farming, animal husbandry, forestry, pasturelands and fisheries.

#### Long-Term Animal Husbandry

According to complete plans, the country's animal husbandry will be part of the 10-year agricultural development program. Minister of Agriculture and Rural Development Mohammad Salamati said in this regard: "As reflected in the 19-point policy and 10-year program of the Ministry of Agriculture, we are relying on traditional and industrial livestock raising in order to strengthen the animal husbandry sector, to provide the country's meat needs and to eliminate dependencies which exist in this area. This is connected with the improvement of grazing lands and supplies of feed. Unfortunately we are importing a lot of fodder. We hope that during the 10-year agricultural development program we will be able to provide all fodder needs of the country domestically."

He said: "Veterinary service provided to ranchers in the future will play an important part in reaching selfsufficiency in animal products. In this connection, the Veterinary Organization has drawn up various programs to fight animal as well as combined animal-human diseases. Programs have also been readied for the production of serums and vaccines to enable us to be selfsufficient."

He added: "Programs are being prepared to provide needed experts in animal husbandry and livestock management, but what is now at issue more than anything else is to make services available to tribes and rural residents in order to prevent losses which occurred previously and still occur."

#### Renewed Farming in War-Hit Zones

"Following the savage invasion of our Islamic country by the mercenaries of the puppet Iraqi regime many economic institutions in the war-hit zones have been damaged, including severe damage to some of their farming areas located in the war-hit zones. With the prideful victories of the force of Islam and clearing out our country from the stain of the presence of the aggressors and the start of the return of those displaced by the imposed war to their homes and hearths in the liberated areas, the reconstruction of damaged farmlands and facilities is of special importance because of its positive effect in providing work and creating output." The Minister of Agriculture and Rural Development referred to reconstruction efforts by telling our reporter: "The Ministry of Agriculture and Rural Development has set up a special task force to estimate the extent of destruction and damage suffered by agricultural facilities and the means and equipment needed to carry out repair work."

He added: "This task force is in touch with councils and task forces in war-hit zones. Representatives from various organs of the agricultural sector have been assigned to the task force so that together they may carry out studies and inspections and provide the means needed for reconstruction."

The minister of Agriculture and Rural Development had this to say about projects which have so far been presented for renewed agricultural activity in war-hit zones: "So far a number of projects involving 9 billion rials have been drawn up for the reconstruction of agricultural lands in war-hit zones and have been approved by the Plan and Budget Organization. God willing, it will be put into effect. This will continue until the destroyed regions are rebuilt."

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CSO: 4640/432

TRADE RELATIONS BEING PROMOTED WITH THE ORIENT

Goods Exhibited in Japan

Tehran SOBH-E AZADEGAN in Persian 21 Jul 82 p 1

[Interview with Deputy for Export Affairs 'Ali Naqi Khamushi, Ministry of Trade]

[Text] According to the IRNA report, 'Ali Naqi Khamushi, Deputy for Export Affairs of the Ministry of Trade, has just left for a ten day visit to Japan. Before his departure, he was interviewed by the Islamic Republic News Agency about the reason for this trip. He said: "This trip is for the opening of the special exhibit for the display of Iranian goods exported to Japan. This exhibit has been organized under the sponsorship of the "Jetru" Company of Japan for a period of 60 days, during which there will be opportunity to place Iranian goods exported to Japan on display at the exhibit for the information of Japanese viewers and importers."

He added, "Throughout the stay of the Iranian trade mission in Japan, discussions and exchange of information will take place between the Iranian exporters and Japanese trade officials." The Deputy for Export Affairs of the Ministry of Trade, regarding the possibility of Iranian exports to Japan, stated, "Iran is able to export to Japan various types of goods in the areas of industry, agricultural surpluses and dried goods."

Concerning the trade relationship between Iran and Japan at the present time, Khamushi said, "After a temporary standstill in the trade exchange between the two countries, the trade process between Iran and Japan has now reached a relatively good level, and the trade balance between the two countries is in favor of Iran." He noted, "Unfortunately, most of what Iran exports to Japan is oil. The Ministry of Trade is planning new efforts to convert an acceptable proportion of Iranian exports to non-oil goods. The establishment of this exhibit and Iran's present participation in it is for this very purpose." In conclusion, regarding the quality of Japanese imports to Iran, he stated, "Contrary to the policy of the past regime, the policy of the government of the Islamic Republic of Iran is based on the import of necessary goods, and for this reason, the types and quantities imported to Iran will have to be changed."



## Negotiations with China

Tehran KEYHAN in Persian 27 Jul 82 p 1

[Interview with Dr 'Abbas 'Ali Zali, Deputy of the Minister of Agriculture]

[Text] The cooperation of the Islamic Republic of Iran with the People's Republic of China in the areas of agriculture, industry and trade is increasing. It is forecasted that the yearly trade exchange between the two countries will reach 500 million dollars. In the area of textiles, we have agreed on the purchase of 50 million meters of cloth.

Dr 'Abbas 'Ali Zali, Deputy of the Minister of Agriculture, who traveled to the People's Republic of China in the capacity of head of an economic mission, described the results of the trip of this mission for reporters in a news and radio and television interview after his arrival in Tehran yesterday.

First he stated, "The trip of this mission took place at the invitation of the Ministry of Trade and Economic Relations of the People's Republic of China. The purpose of this trip is to explore the possibility of developing economic, trade and industrial relations between the Islamic Republic and China. This mission, which was formed of deputies and experts from the Ministries of Agriculture, Trade, Foreign Affairs, and Industry and authorities of the centers for the preparation and distribution of various goods, was organized into three working committees, on agriculture, industry and trade. In most cases, we attained good results. Especially in the area of agriculture, the experience of China in the construction of dams and flood-control systems, soil conservation, the utilization of improved seeds, the problems of cultivating on sloping land, and the cultivation of several crops a year in turn from land will be useful in the drawing up of our plans for the future. In the area of heavy industry and chemical products, especially in agricultural industry which will receive special attention, we will benefit from their experience. In the industrial sector in general, through the studies which have been done and the visits which have been made to that country's industries, it has been agreed that there will be cooperation between the two countries in the areas of exchange of experts, the production of agricultural machinery, and the mining and refining of metals. In the area of trade relations between the two countries, during the discussions which have taken place, we have reached satisfactory results, one aspect of which was the mutual agreement that 50 million meters of cloth will be obtained from China. In the area of purchase of equipment such as shovels, picks and other agricultural equipment, as well as the import of bicycles, agreements have been concluded. It is forecasted that with the expansion of the trade relations between the two countries, the level of exchange will reach 500 million dollars a year."

Concerning the ten year plan of the Ministry of Agriculture, Dr Zali then said, "The Imam emphasizes agriculture to a great degree and the need of our country also focuses on food products. In the next ten years, agriculture will be recognized as the bulwark of our nation. In this connection, as has been agreed, it is necessary that the other ministries as well give their complete cooperation. For example, the Ministry of Industry will give priority to the



production of agricultural machinery. The ten year plan has been so designed that it is based on the mobilization of labor power. Thus, even in times of peace, the labor power of the corps and of the army should be utilized. By the conclusion of the ten year plan, the production of the fisheries will increase from 40,000 tons to 460,000 tons, the land under irrigated cultivation from 3.9 million hectares to 5.5 million hectares and the land utilized for cultivation of fodder from 1.8 million hectares to 3.3 million hectares."

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CSO: 4640/430

IRAN

## RECENT ECONOMIC INITIATIVES PUBLICIZED

### Copper Mining Resumed

Tehran KEYHAN in Persian 29 Jul 82 p 17

[Interview with Director Mehdi Hasanpur]

[Text] Until now 2.47 million tons of ore, out of 800 million tons of copper reserves, has been mined at Sar Cheshmen. Resumption of operations at the huge complex, coinciding with the liberation of Khorramshahr, is now at 50 percent of productive capacity.

This was told to the ISLAMIC REPUBLIC NEWS AGENCY during a discussion by Engineer Mehdi Hasanpur, director of the Sar Cheshmeh complex, who showed production figures at the complex and added: The development of ancillary industries alongside the Sar Cheshmeh complex will put a stop to millions of dollars of imports each year. He added that during the 1977-1978 period Iran imported approximately 20,000 tons of copper sheets, pipes and wiring of more than 8 mm gauge valued at 68 million dollars. In addition to creating 800 jobs, the production of the ancillary industries of the complex will take place within the country. Initial studies for the establishment of the auxiliary industries have begun. In this connection, the Coordination and Planning Council of Kerman Province has proposed "Bagheyn" for the site. The director of the Sar Cheshmeh complex had this to say in another section of the discussion: There are 2,500 housing units in the Sar Cheshmeh township. Most of these have been delivered by the Ministry of Housing and Urban Development. The remaining units are also under construction and will be turned over to applicants according to priority and registration.

He concluded by asking that the township of the Sar Cheshmen Copper complex be included within the division of the country and placed under the Ministry of Interior.

## Job Classification Expanded

Tehran, KEYHAN in Persian 29 Jul 82 p 17

[Interview with Dr Majid 'Abbaspur, secretary general of the Organization for Administrative and Employment Affairs]

[Text] Secretary-general of the State Organization for Administrative and Employment Affairs provided some explanation to the correspondent of KEYHAN's Economic Service concerning the validity of accounting, administration and commerce diplomas for official employment, which previously had come up against difficulties.

Dr Majid'Abbaspur, secretary-general of the State Organization for Administration and Employment said: In view of the fact that under the new secondary educational system of the country, students majoring in accounting, administration and commerce have succeeded in obtaining full diplomas and since previously these types of educational documents had not been included as being eligible for job classification, it was decided by the State Council for Administration and Employment, after due study of the matter, to add the following to conditions covering jobs in some fields of administration, finance and social affairs:

1. The completion of secondary education with a diploma in accounting relevant experience, educational courses taken and/or training received for such positions as tax assessor, being in charge of taxation affairs, customs evaluator and statistician.
2. The completion of secondary education with a diploma in administration and commerce with relevant experience, courses taken and/or training undergone to qualify for conditions for jobs in personnel-related work, statistician and typist.
3. The completion of secondary education with a diploma in accounting, without going through instruction and training courses based only on specified, relevant experience to qualify for employment in accounting as a cashier, property controller and salesman;
4. The completion of a secondary education with a diploma in administration and commerce without going through instruction and/or training courses based only on specified relevant experience to qualify for jobs as supply clerk, storekeeper, service clerk, general affairs clerk, office clerk, clerk, file clerk, and employee responsible for printing and publication.

## Job Creating Projects Discussed

Tehran KEYHAN in Persian 29 Jul 82 p 17

[Interview with Minister of Labor and Social Affairs Ahmad Tavakkoli]

[Text] The results of the work-force census will be published by the middle of this fall...By 1365 [21]

March 1986-20 March 1987] the government will need [sic]  
4 million jobs.

During a television-radio press conference yesterday, Minister of Labor and Social Affairs Ahmad Tavakkoli and his labor relations assistant Mo'tamed Reza'i expressed views concerning matters related to their agency.

First, the minister of Labor and Social Affairs expressed his views on the duties of the ministry by saying: The Ministry of Labor has two main responsibilities. One is to regulate the labor market by accurately forecasting the country's work force size and job availability. Since previous statistics concerning the matter were not reliable, a labor census project has been proposed with the allocation of one-tenth of the budget. Its results are expected to be published by mid-fall.

He added: This census will determine the number of those ready for work so that the figure can be used for planning. The Ministry of Labor and Social Affairs itself cannot create jobs but can provide guidance toward employment, thereby reducing social difficulties.

Tavakkoli said: Bearing in mind that the government cannot be a big job provider, we shall try to encourage investments by competent cooperatives and the private sector in order to create jobs.

He added: This action would create an anti-inflationary trend and increased output while utilizing skilled labor. There are two problems related to investment. One concerns foreign exchange, the other economic blockade which has caused higher prices of goods so that the import volume for 1360 [21 March 1981-20 March 1982] while not increasing compared to the previous year showed a spiralling price index. Another responsibility of the Ministry of Labor and Social Affairs is to regulate labor relations based on the present labor law put into effect by the previous regime. Since this law was promulgated to achieve the goals of the Western-affiliated regime, it does not conform with the goals of the Islamic Republic. But in order to prevent disruption of work we are obliged to go along with this law until an Islamic labor law can be drawn up, eliminating any problems that may arise in so doing. The minister of Labor and Social Affairs had this to say concerning the drawing up of an Islamic labor law: The labor law must reflect the rental section of Islamic jurisprudence. All the efforts of the Ministry of Labor are directed at using as a base those sections of religious jurisprudence which concerns human beings and employment, with the exception of technical portions.

The Minister of Labor and Social Affairs stressed: Of course if the labor law is based on Islamic precepts leftist and rightist groups will complain but we hope workers will not be subjected to temptation since in the long run the Islamic labor law will benefit them.

Tavakkoli then referred to the need to safeguard present work forces in factories by saying: We believe workers should not suffer injury while on the job and for this reason we have prepared a work safety training program

in order to create an evolution in this respect. Although the protection of the working force while on the job requires hard-to-obtain techniques, we have been trying to resolve problems and will gradually work toward eliminating other difficulties.

The minister had this to say concerning the problem of eliminating unemployment: By the year 1365 [21 March 1986-20 March 1987] the government is going to need 4 million jobs and it cannot create all of them. The private and cooperatives sectors must also act in this regard. We shall look to the training of non-university forces since a part of such training is now being carried out by the Ministries of Education and Training and Health as well as universities.

In conclusion Ahmad Tavakkoli spoke about the stabilization of wage levels by saying: "During meetings of the Supreme Labor Council workers were of the unanimous opinion that workers' wages should not be increased since this would cause inflation, in turn bringing pressure upon other fixed-income strata. After due consideration, the Supreme Labor Council decided to keep wages unchanged while on the other hand the Emkan Cooperative, a cooperative company, has tried to strengthen labor cooperatives in the provinces by bringing them under its wings and providing the goods they need.

After the remarks of the Minister of Labor and Social Affairs, the ministry's deputy for labor relations, Mo'tamed Reza'i answered questions of reporters concerning various issues and job classification.

#### Chahar Mahal-Bakhtiari Reconstruction

Tehran KEYHAN in Persian 29 Jul 82 p 17

[Text] The cabinet of the Islamic Republic of Iran opened yesterday morning under the chairmanship of Prime Minister Mir-Hoseyn Musavi after recitations from the Holy Koran.

After studying news from the war front, the meeting took up discussion of the country's latest political and social developments.

After the meeting, government spokesman Ahmad Tavakkoli stated the following: At this meeting Foreign Minister Velayati reported on conditions in the region and explained changes which have taken place as a result of new U.S. stands and new positions adopted by some Palestinian leaders. Discussions and exchanges of views followed. Chahar Mahal and Bakhtiari Governor General Shadnush who was at the meeting then submitted a comprehensive report on the situation in that province and its potentials and the cabinet approved 100 million rials in addition to the general account development of oak products and the government-guaranteed 500 million rials to set up fine-wool extracting workshops to help promote carpet weaving in the province. At the same time a number of government ministries promised to launch various work projects in the province, and it was decided that Minister of Mines and Metals Musavian, Minister of Health Manafi and Minister of Justice Asghari would take an on-the-scene look at problems of the province so that our compatriots would benefit more from potential benefits.

During the session, Mr Davudi, assistant to the prime minister for foundation affairs reported on Islamic associations and their organizational make-up and the cabinet stressed that conforming to positions outlined by the Imam, Islamic associations are friends and supporters of the government.

The government spokesman said in conclusion: Gifts, gold, and jewelry have been sent by Iran's martyr-worshipping people to help the government while an Iraqi woman in Syria sent some jewels to the government through the embassy. We thank all of them and wish them success.

5854

CSO: 4640/431

IRAN

## GAS METERS TO BE MANUFACTURED IN IRAN

Tehran SOBH-E AZADEGAN in Persian 26 Jul 82 p 2

[Interview with Engr Jamshid Sardari, deputy minister of petroleum]

[Text] Tehran--The National Gas Company of Iran has begun dealing with an Italian meter manufacturing company for the purpose of relieving the shortage of gas meters.

On the basis of a contract signed between the National Gas Company of Iran and the "Norpun Uneh" Company, this company has agreed to manufacture enough meters to meet all our country's needs in the short run and to export the technology for building them to our country in the long run.

Engineer Jamshid Sardari, deputy minister of petroleum for natural gas and acting director of the National Gas Company, while announcing these matters, explained the reasons and the ways that meters will be manufactured in this country in an exclusive interview. Referring to decisions by the national gas company's former management with respect to this, he began by saying: The former management of this company had decided to set the price of consumer gas on the basis of the areas of residential foundations. There was therefore no need for meters, and as a result of this situation, no payment has been exacted from the people for gas consumption for the last year and a half.

Therefore one of the first things we did when we assumed responsibility in this company was to decide to take steps to compute the price of gas. He added: In connection with this the first thing we did was to get the Supreme Economic Council to approve a price on gas, and on the basis of that price residential gas will be five rials per square meter and commercial gas will be two rials per square meter. Since we did not have meters, however, we decided to compute residential gas consumption on the basis of the similarities in size between residences. Again we were unable to get a 100 percent correct figure in this way because there was the possibility that a home would be empty, or the space being heated in it might not be the same as in other homes. The money collected from the people was therefore treated as paid on account until finally after the necessary study and discussion it was decided that in order to compute the price of consumer gas, meters would be installed to monitor the consumption of groups of residences. Concerning

the manner of meter manufacture and their type, Engineer Sardari said: We have begun dealing with an Italian firm called the "Norpun Uneh" Company from which the needed meters will be procured over the short run, and during the next year and a half it will begin exporting the necessary technology for building these meters inside the country. The contract between the National Gas Company of Iran and the above company contains many assurances of the necessity of domestic importation of meter manufacturing technology. He added: In this connection promises have been obtained from this company for all kinds of cooperation with respect to the delivery of training and the merchandise needed to get a gas meter production line operating in Iran as well as other technical and specialized matters. Sardari said: Among other points in the agreement obtained, the above company will deliver all the information, documents, plans, and technical details and cooperation needed to set up a gas meter manufacturing production line to the National Gas Company of Iran and will take no payment of any kind for the exportation of the technology for building gas meters in our country. The acting director of the National Gas Company of Iran said concerning the quality and price of these meters for domestic consumers: These meters are built very simply so that we will be able to build them with the technology existing in the country. The deputy minister of petroleum for natural gas added: The production line, the engineering, and the economic machinery for its production will be purchased from the above company so that by building gas meters domestically we will economize on the expense of purchasing them abroad. The full price to consumers for the domestically produced meter will be 300 tumans, and the price of its foreign-built equivalent is 500 tumans. It is necessary to note that the meters manufactured in our country will bear the mark 'made in Iran' or 'National Gas Company of Iran.' In conclusion he said: with the full implementation of this contract with the "Norpun Uneh" Company we will produce around 150 thousand meters annually. It is anticipated that the aforementioned production line will begin operating in Iran no later than a year from yesterday.

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CSO: 4640/441



IRAN

PUBLIC URGED TO ACCOMMODATE AFGHAN REFUGEES, BE VIGILANT

Tehran KEYHAN in Persian 1 Aug 82 p 12

[Interview with Brother Hashemza'i, political administrative deputy of the Governor General's Office of Khorasan Province]

[Text] Mashhad--KEYHAN correspondent: The political administrative deputy of the Governor General's Office of Khorasan Province discussed his recent trip to the war areas, the matter of the dissident groups, smuggling, government administrative offices, and the final victory of the war with our correspondent in an exclusive interview.

Brother Hashemza'i, the political administrative deputy of the Governor General's Office of Khorasan Province, said concerning his recent trip to the war areas in the company of the Governor General and 30 province officials:

This trip was very constructive for myself and the brothers. First of all, the Province of Khorasan has taken the principal share of the load whether from the point of view of provisions or from the point of view of forces sent. Everywhere we went we visited Khorasani brothers on the front lines. Concerning what he accomplished on this trip he said:

The most important matter was being inspired by the brothers. We truly saw ourselves as insignificant next to them and felt contemptible. Also, everywhere we went and spoke with the brothers, we found them thinking only of victory and continuing the war, not of fatigue. We saw young men who have been in the trenches and at the fronts fighting in that hot Khuzestan weather for almost two years who are still talking about continuing the war. We were definitely inspired so that behind the lines we will be able to use that inspiration to solve whatever problems we have better and to continue with our service.

Concerning the things that have been done by the Mobilization, the revolutionary guard, the army and the Reconstruction Crusade, he said:

Without going and seeing for oneself it is impossible to grasp the greatness of what they have done. With all the fortifications that Saddam's mercenary army had put up around Khorramshahr, fortunately our invasion was so

thunderous and smashing that the enemy was unable to make use of these fortifications. Four divisions, and there is clear evidence that Iraq had four divisions in Khuninshahr, all these forces that Iraq had in Khorramshahr could not even resist for 24 hours, whereas a very small number of brothers from the revolutionary guard and the Mobilization fought four Iraqi divisions for more than 20 days without any kind of fortifications or combat equipment. This is simply a victory of faith over equipment. He also considered the efforts of the brothers in the Reconstruction Crusade in the worst terrain as praiseworthy. Concerning the 'Hypocrites' activities in Mashhad, Brother Hashemza'i said: The 'Hypocrite' installations were completely destroyed in this province some time ago after smashing strikes were brought upon them by the Hezbollahis, the brothers of the revolutionary guards, the Committees, and the Revolutionary Prosecutor's Office.

In my view they have also been eliminated from the province politically, but in any case the people must be vigilant and keep any suspicious movements under surveillance and not let them come to life again. Concerning the borders and the smuggling problem, he said:

We do not have a security problem on the Soviet borders because the borders are closed and controlled from the other side. A number of guard stations, which were also necessary, have been built, and our brothers guard the borders vigilantly and since we do not go back and forth over the Soviet border control is simpler.

We have a lot of problems with regard to Afghanistan, however, such as the transport of narcotics and probably the passage of unauthorized people, and the reason is that the war of the Afghan Majahedin and the Muslims of Afghanistan with the central government and the Russian occupiers has caused the borders on that side to be totally out of control, and every day we have a large number of emigrants and refugees. Traffic on these borders is definitely heavy and control will also be difficult. Of course lately with steps that have been taken to procure manpower and equipment, control has improved and these resources will be increased every day so that in the future, God willing, we will be able to approach having a secure border with Afghanistan. The matter of smuggling is inseparable from the border problems because every day between 200 and 800 refugees come into Iran from various points and like it or not there are going to be smugglers among them, and it will be somewhat difficult to identify them at the borders. With the news that has been decisively reflected in the newspapers and so on in the past and also now we see that the antinarcotics staff, the revolutionary guards, and the gendarmes are fighting these smugglers as much as they can.

Concerning the offices and what they did to overthrow the sinister Pahlavi regime and for the victory of the Islamic revolution under the Imam's leadership, he said: We achieved a political victory, but a complicated system and administrative apparatus was passed on to us from that regime, and completely changing it was not an easy job. In my view the system has not yet been changed as it can be and ought to be, but it has gone in the direction of improving. The political administrative deputy of the Governor

General's Office of Khorasan Province said concerning the war and the final victory of the Islamic combatants: As these two years have shown, we have depended only on the power of God and our own people and it must be that way now as well. Final victory will be attained when the Ba'th party is destroyed and an Islamic government in the hands of the people of Iraq themselves comes into being, so that later, God willing and with the help of Iran, we will be able to open the gates of Jerusalem. When asked what message he has for the people, he said:

In my view the political awareness of our people and our nation is at a high level, and they have always been further ahead than the officials in the political movement that was begun under the Imam's leadership in the period of these two years. It is we officials who must learn a lesson from the people's political awareness. He added:

The people's responsibility in the face of the counterrevolution and the rumor-mongers must be carried out just as it has been so far. In order to thwart rumors the background for rumors must be eliminated, because if society accepts rumors then rumor-mongering can easily come about. Therefore, whoever circulates a rumor in any place must be asked for papers and identification.

My message and advice to my own people, the martyr-fostering, revolutionary and Muslim people of Khorasan, especially at this point in time, is to keep up their momentum under the leadership of the clergy, which is led by the Imam of the nation, and to think of the principal problem, that is the Iran-Iraq war, because world arrogance, after all its plans failed and it was unable to confront the Islamic revolution, prompted Iraq to go to war, and after the repeated victories which came to us and when it became evident that a final victory was practical, it started the war in Lebanon. That is, it set its traitor lackey Israel to war against the deprived people of Lebanon, and in doing this all the imperialist propaganda machines focused on that war in an effort to distract attention from Iran's victories. They knew that if Iran were victorious over Iraq in the future there would be no Israel and America. Therefore our aware people must listen to the Imam's orders and follow his guidance.

9310

CSO: 4640/440

JUVENILE IRANIAN POW RELATE ORDEAL

Cairo UKTUBAR in Arabic No 303 15 Aug 82 pp 62-65

[Article by Muhammad Khalaf Allah: "Minefield Children Are the Latest Product of the Iranian Mind"]

[Text] UKTUBAR was the only magazine in the world to interview Iranian children who were captured by Iraqi forces during the battles they fought with Iranian forces, most recently at Basrah.

The captive children talked with UKTUBAR. The oldest child was 15 years old, and the youngest was 9.

Iran is dealing with the questions of childhood in a different way. It is gathering thousands of innocent children, who are not more than 15 years old, to fuel its war with Iraq. Iran has called this effort "rallying the people." Those children are used to detonate mines in minefields so that Iranian troops can fight Iraqis over their "dead bodies."

The idea of "rallying the people," an idea that depends on thousands of young Iranians, on Iranian Revolutionary Guardsmen and on thousands of innocent children who are under 15 years old, began as a deterrent means for winning the war. Iranian troops had found out that in a few weeks Iraq had won the first round [of the war] and had occupied 800 kilometers along the border. At some points along the border, they had gone 160 kilometers inside the country. After Iraqis occupied a number of important cities, chiefly Qasr-e Shirin, Khoramshar and other Iranian cities on the borders with Iraq, Iranians began thinking of a way to end Iraq's occupation of their land, regardless of the human losses they would have to suffer, and even if these losses were children under the age of 15.

Instead of providing trained Iranian fighters for this "rally of the people" to oppose Iraqi troops, Iranian forces gathered large numbers of trained and untrained individuals and even children on behalf of the Revolutionary Guard. The surprise would thus be achieved, and Iraqis would face these large numbers of Iranians [in battle].

The idea of "rallying the people" as applied by Russia and later by Iran is a military idea that is non-debatable as long as it leads to victory despite large losses in human life. The idea is non-debatable as long as the people who are

rallied are men who understand the meaning of war and fighting, whether they became involved in the war voluntarily as volunteers, draftees or professional fighters. However, the idea of "rallying the people" can be subject to discussion here in the light of divine laws or [man-made] laws and international agreements if it is basically children under 15 who are rallied, as was the case on the Iranian front, or if children are used as symbols of the effort to rally the people. In this case what we have would be a clear violation of international laws that protect and defend children and try to guarantee them a happy life. These laws even forbid the employment of children who are under 15, and they also maintain that the mere employment of children is a blatant violation of the Declaration of Human Rights and the Declaration of Children's Rights. Both declarations were approved by the peoples of the world, and the people of pre-Khomeyni Iran were among those peoples. International agreements regulate matters of war, peace and prisoners; they forbid the participation of children in combat activities; and they forbid their conscription in armies. This prohibition is prompted by concern for the innocent lives of children who are considered the future of nations and the future of the entire human race and must therefore be protected from extermination, death and destruction. However, these laws and agreements went unheeded in Iran.

Before and during my tour in Iraq I observed, along with [the rest of] the world, the news that was coming from the battlefields on the fighting between Iran and Iraq with considerable bewilderment and concern. The news indicated that Iranian troops had gathered thousands of innocent Iranian children in their battles against Iraq. This was part of Iran's plan of "rallying the people" against Iraqi troops. Iran was using the children to clear minefields so that Iranian forces can cross these minefields safely over the bodies of innocent children. There was news that thousands of Iranians were killed and that among them were hundreds of children under 15. This happened while Iraqi troops were in the process of repelling these crowds of people. Then, the news was that among the Iranians who were captured by Iraqi troops there were also hundreds of Iranian children.

Those prisoners--and the captured children were among them--were transported to prisoners' camps in Basrah and Baghdad. When they were questioned, it became evident that Iranian authorities had taken them away from their families, their schools and their fields and placed them in training camps along with the forces of the Iranian Revolutionary Guard. They wore the same uniform [worn by the Revolutionary Guard], and they received training in the use of personal weapons. These weapons were sometimes rifles and other times light machine guns, [or] Kalashnikovs. The children's training lasted between 1 and a half months and 3 months. Then they were morally and religiously stirred and provoked to become part of the first waves [of fighters to enter] combat. They were the ones who had to penetrate the front line defenses of the Iraqi troops. What they had ahead of them were anti-personnel minefields and tanks. The result was that thousands of Iranian Revolutionary Guardsmen perished, and thousands of children were among them. These children physically detonated the anti-personnel mines, and they died. Those of them who did not die in the minefields were hit by bullets fired by Iraqi defenders. Those who escaped this and that were killed by the hand grenades, the artillery, or the bombs that were dropped by enemy airplanes. Anyone who escaped after all that was captured by Iraqi forces who were taken by surprise to find those innocent children, the oldest of whom was 15 years old, among the Iranian prisoners.

In the capital, Baghdad, I pursued this human question and found out how the Iraqi authorities conducted themselves towards these children in the light of international laws, conventions and agreements and in the light of what is determined by special agreements on prisoners of war.

At first, as soon as those children were captured, they were isolated [from other prisoners], and the Supreme Command of Iraq's armed forces was notified. Orders were issued by the Supreme Command to transfer the children to Baghdad where they would be housed in a special camp for them and for the children who may be captured later. Iraqi President Saddam Husayn was notified, and he decided to receive them in his office in the Presidential Palace. The meeting actually took place, and Hala, the president's youngest daughter attended the meeting. She took part in giving out flowers and candy to the captured Iranian children. The meeting was also attended by an Iraqi interpreter who spoke Persian fluently. Persian is the language spoken by the captured Iranian children.

The dialogue between Iraq's president, Saddam Husayn and the captured Iranian children was conducted through the Iraqi interpreter; it was a lengthy dialogue. The meeting was recorded for radio and television broadcasts in Baghdad. I heard the lengthy dialogue which included humanitarian and odd questions to the captured children. Each child was asked about his name, the name of his father and his mother, the names of his brothers and sisters and his parents' profession. Children were asked about their schooling, if they were still in school, or about their work, if they had left school after the elementary stage. The dialogue ended with a promise the Iraqi president made to the children. He promised them they would not be treated as prisoners of war. He told them that their case would be excluded from the prisoners of war exchange process between Iran and Iraq. He also promised them that they would be returned to Iran so they can go back to their families. Iraqi authorities allowed them to send handwritten letters to their parents in Iran through the Red Cross.

On the following day Iraq notified the International Red Cross that a large number of Iranian children, wearing the uniform of the Iranian Revolutionary Guard had been captured. Iraq notified the Red Cross that these children would not be treated as prisoners of war and would be excluded from the prisoner exchange process between the two countries. Iraq also asked the International Red Cross to notify Iranian authorities that Iraq wanted to return those captured children to their parents, their families and their schools in Iran. Iraq also gave notice that those children would remain as its guests until they were turned over to Iranian authorities.

#### Mahmud Is the Youngest of Them

But the Iraqis were bewildered, as were the Egyptians residing in Iraq and the whole world as well, when Iran denied that those children were Iranians. Iran also proclaimed that it would not take those children even if they were Iranians.

In view of this surprise, Iraqis announced that they would keep those captured Iranian children as their guests until the end of the war and until they are returned to Iranians so they can go back to their families and their schools. Those captured children are still the guests of the Iraqi Ministry of Defense located in the heart of the capital, Baghdad. They are waiting for the time when

their future will be decided. They are waiting for their country to accept them so they can go back to their families and their schools.

I requested [permission] to meet with those children and to speak with them.

A date for my meeting with them was set. It was decided that that date would be the following Friday morning, and the meeting was also set to take place in one of the meeting rooms of the Iraqi Ministry of War. We were to be accompanied to the meeting place by representatives from the Ministry of Defense, from Iraqi military intelligence and from the Ministry of Information. An Iraqi interpreter who speaks Persian fluently was also to accompany us.

We drove to one of Baghdad's nearby suburbs. At the Ministry of Defense we met with those captured children. They were a group of innocent children wearing civilian clothes--shirts and pants: they had gotten rid of the Iranian Revolutionary Guard uniforms. The oldest among them was no more than 15, and the youngest was 9. The children came from different parts of Iran, and most of them were elementary school students. They had all received weapons training, and all of them had been carrying weapons when they were captured.

I met the youngest child first. His name was Mahmud Abadi, and he was 9 years old. He had been captured in the area of Farisiyat near Jalub Bridge. He was carrying his personal weapon, a light machine gun, when he was captured.

I asked him, "Did you receive weapons training, and can you use a machine gun?"

We spoke through the Iraqi interpreter, who spoke Persian fluently, and the children replied in Persian.

The child said, "Yes, I received weapons training for 1 month and a half, and I can use a light machine gun."

I asked him, "What were your feelings after you were captured?"

He replied, "I had no special feelings. But now that I am a prisoner, I wish I could go back to my country. I was captured last April 27."

Then I met the oldest captured child. His name was Hamid Taqizad, and he was 15 years old. He came from the area of Bakhtarabad near Tehran. He was not educated, for he had left school after finishing elementary school. He was captured last April 27 in the same area of Jalub Bridge in the area of Farisiyat. He served in the medical supplies division, and his personal weapon was a light machine gun.

I asked him, "Did you receive weapons training, and how long was that training? Can you use your own personal weapon, the light machine gun?"

He replied that his training period was 3 months; that he knew how to use his personal weapon, the light machine gun; and that he was carrying his weapon when he was captured by Iraqi forces.

I asked him, "When do you expect to go back to Iran?"

He said, "I found out from the Iraqis that they had contacted the International Red Cross to return us to our country but that Iran had refused our return and denied that we were Iranians. I don't know when we will go back to our country, and I don't know when this war will end so we can go back to our country."

After that I met a number of captured Iranian children whose ages were between 9 and 15. Among them was the 12-year old captive child Hamid Radi Mustaqim, from the city of Sirjan in the province of Kermanshah. He was captured on the same day, last April 27 in the same area of Farisiyat near Jalub Bridge. He was carrying his own personal weapon, a light machine gun. He had received weapons training for 2 months, and despite the fact that the training period was short, he knew how to use his weapon.

I asked him, "Did you come to the front to fight of your own free will?"

He said curtly, "Yes."

I met another, older child. He was 13-year old Mohamed Salihmi, a student in the first intermediate grade--this is comparable to the preparatory stage. He was taken from his family and his school by Iranian authorities, and he was sent [to the front] with the first wave of fighters to break through Iraqi defense lines.

I asked him, "How were you captured?"

He replied, "We got to the first foxhole in the evening, and we stayed there till morning in the area of West Karun. We were asleep when Iraqi forces advanced and surrounded the area. Then we were captured and transported to camps."

I told him, "Were you carrying your weapon [when you were captured]? What kind of weapon were you carrying?"

He said, "Yes, I was carrying my weapon, a Kalashnikov machine gun."

I asked him, "Did your mother know that you were going to fight, and did she approve of that? In other words did she approve of your taking part in the fighting?"

He replied, "Yes, she knew I was going to fight, but she did not want me to go with them to fight."

I told him, "What are your feelings now that you are in Iraq?"

He said, "We are fine and in good health. We are grateful to the Iraqi government for treating us well."

There are many examples of captured Iranian children. I met with them and I talked with them about their experience of being captured. Their words fell short when they described their experience, but what they said indicated the violent impact the experience had on them as children at that age. The oldest of them was no more than 15, and the youngest was 9. No matter what they knew about war and about fighting, that knowledge could have been no more than the result of brainwashing these children and brutally exploiting their innocence so they can do what they are required to do. These children were to be mere tools to be used in clearing the minefields. Afterwards, when captured, they would be denied.



But what do divine laws, man-made laws and international conventions and agreements that regulate matters of war and peace and the rights of prisoners say about this humanitarian question that is still continuing in Iran where children under 15 are mercilessly forced to fight? This is considered a dangerous precedent; it is a violation of divine rules and laws and it is contrary to the simplest humanitarian and international principles.

Because children anywhere in the world do not have to fight and must not be made to fight, most international laws and agreements that deal with questions of war and peace and regulate the treatment of prisoners make no mention of children. These laws and agreements speak only of men and sometimes make a recommendation on the treatment of women regarding what is due to their sex.

Furthermore, we find that some of these agreements stipulate specifically that children under 15 are not to take part in hostile actions. We find this clearly stated in Article 77 of the first addendum to the Geneva convention protocol of 12 August 1949 regarding protecting the victims of armed international disputes.

The humanitarian question continues to linger: the question of making Iranian children under 15 take part in a war where they would die or be captured. The question of captured Iranian children also remains. Those children were thrown into battle by Iran, most recently the battle of Basrah. Iran then denied them and refused to receive them, and the young children have remained in captivity.

8592

CSO: 4604/44

## REPORT PREDICTS SLOWING ECONOMIC GROWTH

Kuwait ARAB OIL in English No 8, Aug 82 pp 26-27

[Text]

**K**uwait economy will have to readjust itself to lower levels of income and a slowdown in economic growth will inevitably follow, an authoritative report in Kuwait said early last month.

The downturn, largely spurred on by sharply declining oil revenues is expected to produce both benefits and drawbacks for the country, it is anticipated.

The report, published as an 'Economic and Financial Quarterly 1982', by the National Bank of Kuwait, analyses the performance of several revenue contributing sectors and asserts that diversification away from almost total dependence on oil is imperative.

It cites the rapid growth of the country's financial institutions as an example of 'their capability to contribute more aggressively in future to the Gross Domestic Product (GDP).

It also predicts that the government will resort to new 'revenue raising and conservation' measures, such as those announced in a decree on raised prices of petroleum products in April.

All of the economic sectors in Kuwait will be affected, with the slowdown manifesting itself in varying degrees, the report says. The domestic stock market is expected to be hardest hit, with trading activity slowing down considerably. Recently announced intentions by the Iraqi government to reduce development spending will adversely affect re-export and contracting activities.

economic  
to bear

Emphasis in the manufacturing sector will be on improvement of productivity and better utilization while avoiding duplicity and over-expansion.

**Construction**

Meanwhile the construction sector has already been adversely hit with the number of new construction projects slipping steadily from a peak in the 1977/78. The sector will be faced with a continuing decline, largely to be explained by the completion of major infrastructure projects, reduced government spending and reduced profit margins for private land developers.

Nevertheless, the sector will continue to show strength, with major projects being undertaken by the National Housing Authority which seeks to accommodate 276,000 nationals by 1986 according to a five year plan.

Other important projects scheduled for the future is the advanced road network scheme, the expansion and upgrading of Kuwait International Airport (at a cost of 180 million dollars) and a new city at Fintas (cost 255.6 million dollars). Another important project involves the construction of four major commercial and administrative centers in Fintas, Salmiya Jahra and Murgab, at an approximate cost of 2.2 billion dollars.

The recent decline in oil revenue is not expected to have a significant adverse impact on the implementation of most of these projects the NBK report predicts.

**Inflation**

Normally during a time of an economic downturn, pressures are brought to bear

which dampen inflation.

In Kuwait, these positive effects will not be reaped in the near future because of last year's ample liquidity which was translated into intense speculation in the securities and real estate markets and a general rise in consumer prices, the report stated.

Inflationary pressures in 1982 will remain high and inflation rate may be even pushed into the double digit level for 1981-82.

In 1982, sharp drops in oil revenue had manifested themselves most notably in the 1982-83 draft budget in which, for the first time since 1973, projected levels of expenditure exceeded revenues by about 1.1 billion dollars.

The country will finance that deficit by drawing on the state public reserves which are considered large enough to preclude any probability of financial imbalances, even in the long term. No cash flow problems are envisaged, it is stressed.

To drive out of the present tight squeeze however, stringent economic measures will be undertaken by both the government and individual sectors, the report says.

#### **Rationalized**

To put it in positive terms, the authorities have been alerted to the importance of 'rationalized spending' and readjustment to lower levels of income has brought with itself good lessons.

While the government will continue to stress 'rationalization' and consumers will be asked to share the burden of the real costs of certain services, the banking sector will adopt a more conservative approach to lending.

Already the banks have moved to restrain credit expansion, particularly for speculative purposes.

The new lending approach will be complemented by a tight fiscal policy, in an attempt to combat negative effects of the ensuing speculation in the securities and real estate markets.

Also affected, has been the surplus of the trade and services account which dropped from 18 billion dollars in 1980 to 15 billion dollars in 1982, primarily due to a 24 percent decline in oil exports.

In spite of the impressive increase in income gained on external assets, the net effect

of the current account was a drop in the surplus from 16 billion dollars in 1980 to 13.8 billion dollars as the fall in oil revenues exceeded the rise in investment income.

#### **Reserves**

Nevertheless, the authors of the survey stress that the probability that Kuwait would start encountering problems of imbalances on its external finances are remote, even in the long term. Kuwait's international reserves are adequate, and even if the country draws on a fraction of its reserves to finance its budget, no cash flow problems are envisaged.

In this light, readjustment to lower levels of income is seen here as 'a good lesson' gained at a crucial time. Diversification and rationalization seem to hold the key to future development.

#### **Oil importance**

In the 1982-83 budget, the total revenue is projected at 11 billion dollars, 40 percent below the estimated level in fiscal 1981-82.

This prediction is based on a production of 800,000 (bpd) and an estimated oil revenue of 10.44 billion dollars far below the 17 billion dollars estimated for 1981-82 when the country's oil production ran at well over 1 million bpd.

Despite increased emphasis on the development of other sectors, oil will remain the crucial contributor to the country's revenues, the report states.

"The growth and vitality of Kuwait's economy depends primarily on its oil sector which accounts for over 65 percent of GDP and over 95 percent of government revenue, excluding investment income," the report says.

As positive factors the report cites the major reorganization of the oil sector in 1980 when the government assumed control over the setting up of a new oil company, the Kuwait Petroleum Corporation (KPC), with a capital of 3.6 billion dollars, to avoid duplication and overlapping. KPC functions as an umbrella organization which oversees all companies attached to the oil sector.

By the year 1985, KPC aims to sell approximately 50 percent of its oil in the form of refined products and to achieve this a major modernization program is currently under-

way to upgrade the capacity of Kuwait's two major oil refineries. Ahmadi and Mina Abdullah. KPC has also stepped up its exploration efforts recently with the hope of finding natural gas in particular. Moreover, KPC has entered into joint ventures with foreign companies to explore for oil in other countries, notably in China, Malaysia and the United States.

The acquisition by KPC of Santa Fe International Corporation, a 2.5 billion dollar oil drilling and engineering firm, is a pointer to KPC intention to seek more 'direct presence in the international oil market in future.'

#### **Finance**

It is the country's buoyant financial sector which the government should look to as the real competitor of the oil sector, however.

Investment income (on capital lodged overseas chiefly in western banks) is not included in the budget but in fiscal 1982-83 it is expected that it will for the first time 'match oil revenue', NBK survey says.

"The country's economic prospects acquire new dimensions when tied to the fast growing financial sector. The rapid growth of the domestic financial institutions and their growing involvement in the international markets enhances the capabilities of these institutions preparing them for a greater role in recycling oil revenues."

As far as expansion of other sectors is concerned, the report comments that 'some progress has been achieved in creating a

credible agricultural sector.' Severe weather, scarcity of cultivable land and labor shortage hamper faster development, however.

"Relative success has been achieved in the production of certain vegetables and fruits, with local production contributing to domestic demand by about 10 percent. One of the most promising areas has been poultry and egg production which is expected to increase rapidly in the next decade," the report says.

Fishing, an old occupation, continues to 'strive and expand', with government's help and participation. Local catches are diverted to satisfy local demand, however.

#### **Manufacturing**

In the manufacturing sector, present emphasis is on the improvement of productivity and better utilization of available resources while avoiding duplication and over-expansion.

This trend differs from earlier efforts to expand the industrial base in the early seventies when large industrial ventures were being set up.

Some of the most recent industrial undertakings are petrochemical projects including the construction of a 1.2 million ton per year olefins aromatics complex, a diammonium phosphate plant and a new chlorine plant.

The industrial sector will retain its importance, already demonstrated in its ability to account for 20 percent of non-oil GDP (making it the largest contributor among the non-oil sectors).

## SLOW GROWTH IN BANK ASSETS

Kuwait ARAB OIL in English No 8, Aug 82 p 21

[Text]

**T**HE assets of commercial banks operating in Kuwait increased during the first quarter of 1982, by 1,425 million dollars or 5.2 per cent, against 1,051 million, 13.9 per cent, in the fourth quarter of 1981, according to an official report by the Central Bank of Kuwait.

The slow growth is attributed mainly to the decline in the Commercial Bank's balance with the Central Bank, by 392.4 million dollars, and to the slow growth in foreign assets, by 169.2 million, 2.1 per cent, against 918 million, 12.8 per cent in the previous quarter.

Claims on the private sector, however, increased by 15.2 per cent or 1,890 million dollars, against 1,040 million, 9.1 per cent in the fourth quarter of 1981, the report added.

On the Commercial bank's liabilities side, demand deposits continued their considerable growth, by 1,029 million dollars, 30.7 per cent, though this growth was relatively slower than in the previous quarter, at 40.3 per cent.

The increase in demand deposits is attributed to the continued tendency to maintain funds in current accounts for the purpose of financing business and financial activities, and for settling the capital increases in some companies, the report said.

#### Time deposits

As regards other deposits, time deposits in Kuwait Dinars grew during the first quarter of this year, at an accelerating rate of 7.2 per cent, against 4.6 per cent in the previous quarter. Deposits in foreign currencies continued their decline for the third successive quarter, recording their lowest level since the first quarter of 1980. During this quarter, these deposits dropped by 21.5 per cent, com-

pared to 5.5 per cent in the previous quarter. Savings deposits, however, maintained their growth rate of five per cent against 5.2 per cent.

The demand for Kuwait Dinar time deposits may be explained by the improvement in the local interest rates, particularly on short-term funds, and especially in February and March 1982.

The decline in deposits in foreign currencies may be explained by the relative calm in international interest rates on the US dollar, the report said.

During this quarter, the growth in foreign liabilities slowed to 302.4 million dollar, or 6.6 per cent, against 1,144 million, or 33.6 per cent in the previous quarter.

#### Claims

As a result of these monetary developments, the balance of local banks' claims on the Central Bank fell by 410.4 million dollars, from 1,353 million at the end of the last quarter of 1981, to 943.2 million at the end of the first quarter of 1982. Central Bank claims local banks increased by 302.4 million dollars, with the outstanding balance of swap operations rising to 946.8 million at the end of the first quarter of 1982, against 601.2 million at the end of the previous quarter. The outstanding balance of discounts-rediscouts declined to 988.2 million dollars, against 1,015 million.

Accordingly the net balance of Kuwait Dinar injections by the Central Bank rose to the value of 975.6 million dollars at the end of the first quarter of 1982, against 262.8 million at the end of the previous quarter, the report added.

## COST OF LIVING UP

Kuwait ARAB OIL in English No 8, Aug 82 p 28

[Text]

**T**HE cost of living in Kuwait rose by 7.6 percent last year, according to official figures published recently.

Most severely affected were consumer items in the category listed as 'beverages and tobacco', with the group registering a 22.7 per cent rise over 1980.

Rents also climbed steeply but food prices were kept down, thanks to the government subsidies of essential commodities.

The report on the 1981 increases in the price index was published by the Central Statistical Office of the Ministry of Planning. The ministry said it had revised the Consumer Price Index Numbers, commonly known as Cost of Living Index. Revised prices indices were now also available for 1979, 1980 and 1981, according to the ministry.

The rise in the index has been chiefly attributed to increases in the rise prices of items in three major groups, namely 'beverages and tobacco', 'housing', and 'education and medical care'.

Beverages and tobacco registered an increase of 22.7 per cent in 1981 compared to their level in 1980, due to the rise in prices of soft drinks in the latter half of 1980, and the spurt in the prices of cigarettes in 1981.

Housing recorded an increase of 17 per cent last year, the index being 140.1, against 119.8 in 1980. This is mainly due to the rise in house rents as indicated by a rental survey conducted during 1981.

#### Education

The index for education and medical care stood at 152.4 in 1981 as against 128.2 in 1980, an increase of 18.9 per cent. It must be noted

that only private education and private medical care are included in this category. Private education recorded an increase of due to the increase in the charges for hospital care and services of private physicians.

Household goods and services, comprising furniture, carpets, textiles and furnishing household appliances, utensils, cleansing preparations and house services increased by seven per cent, while transport and communications rose by 6.8 per cent.

13.7 per cent, and medical care 25.8 per cent,

On a brighter note the ministry's report said that food items, which accounted for over one third of the basket of goods and services included, registered an increase of only 2.4 per cent. This price freeze, the survey commented, was due mainly to the government subsidies of basic food commodities. The index for food items was 114.4 last year, against 111.7 in 1980.

Clothing and footwear edged higher slightly by 2.6 per cent during 1981, while costs of 'other goods and services' went up by 5.8 per cent. This category includes recreational facilities, leisure goods and items for personal care.

While prices for most of these items was static, the index was pushed up by increases in the rates of admissions to cinema and prices for newspapers, the report noted.

In an accompanying report the Statistical Office explained that this year 'many changes had been made in the compilation of the Consumer Price Index Numbers'.

#### **Reference**

The base year, which is the reference year for price comparison has been shifted from 1972 to 1978. In addition, the coverage of commodities has been widened, their classification has been modified, and the weighting system has been based on the results of the Household Budget Survey, 1977-78.

The retail outlets from which prices are collected have been updated and extended to cover new shops. All these improvements were made in order to 'take into account the changes in the consumption patterns of the population, the availability of new commodities in the market, and the development of new residential areas and markets in the past few years', the report said.

The method of collection of data and compilation have also been refined to ensure maximum accuracy. The process of compilation has been computerised.

CSO: 4400/447

## AIRBUS AIRCRAFT PURCHASE REPORTED

Kuwait ARAB OIL in English No 8, Aug 82 pp 22-23

[Text]

**T**he Kuwait Airways Corporation will be the first airline to fly the A300 — 600 convertible aircraft with a large cargo door. This is a revised technology aircraft developed out of the A300 currently being operated by Airbus operators.

Antar Daouk, the Sales Director of Airbus Industries, said in an interview early last month that this aircraft can be modified to fly cargo or passengers or both.

Costing about 55 million dollars, the aircraft has already attracted nearly 14 customers worldwide.

The A310 — 600 convertible is one of the 11 aircrafts ordered by KAC from Airbus Industrie. The total cost of the order is 750 million dollars, Daouk said.

Antar Daouk said that the order includes eight A310 — 200 aircraft which is a 200 to 220 seater, and three A 300 — 600 aircraft which is a 265 seater. The last three include the convertible. Both will be certified for operation by a two man crew forward facing cockpit.

He said that the aircraft will be delivered to KAC beginning September 1983.

The company already has orders for 509 aircraft. About 137 are now flying with 27 international airlines.

Antar Daouk cited several reasons for the success of the Airbus.

#### Reasons

Firstly, he said, the Airbus offers two aircraft of 200 and 265 seater capacities. They

are similar in all respect except capacity, hence, the airlines will save a lot of money on pilot training, spare parts, engineers, etc.

Secondly, the Airbus is economical fuel wise and cost per seat mile, he said.

Thirdly, the diameter of the Airbus is more than that of its competitors, which means a more comfortable first class and more seats in the economy.

Fourthly, the Airbus has operators almost everywhere in the Far East and Europe.

The story of Airbus Industrie is a success story never before heard in the history of aircraft, he said.

Airbus Industries was formally constituted on 18th December 1970. Its first product, the A300 twin-engined short to medium range wide-bodied transport aircraft, first flew on October 28, 1972, ahead of schedule and under budget and went into operation on schedule on May 23, 1974.

In 1978 Airbus Industrie became the world's second largest seller of wide-body aircraft. In 1980 Airbus Industrie sales also outnumbered those of the third and fourth suppliers combined. In 1981 the Airbus Industrie production rate not only passed those of the two wide-body tri-jets taken together, but also that of the Boeing 747, according to a brochure supplied by Airbus Industrie.

About the company itself, the brochure adds that Airbus Industrie was conceived to perform a clearly defined task. Experience of many previous international cooperative ventures has clearly shown that a new type of organisation was needed, able to concentrate the capabilities of its members efficiently, while still leaving them free to pursue independently other aims not competing with the



## Sales status

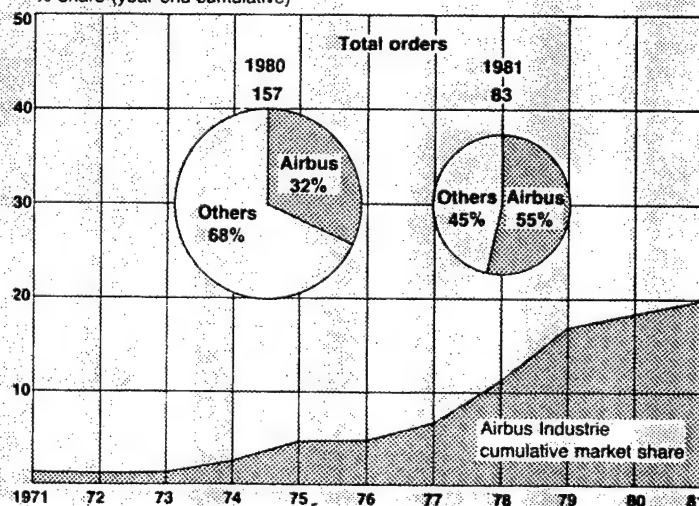
April 1982

	A300		A310			A300		A310	
	Orders	Options	Orders	Options		Orders	Options	Orders	Options
Air Afrique	3	-	-	-	Nigeria	-	-	4	4
Air France	23	12	5	10	Olympic	8	2	-	-
Air Inter	8	-	-	-	Pakistan	4	6	-	-
Air Jamaica	2	-	-	-	Philippine	5	-	-	-
Alitalia	8	3	-	-	Sabena	-	-	3	3
Austrian	-	-	2	2	Saudia	11	-	-	-
British Caledonian	-	-	3	3	Scandinavian	4	4	-	-
China	4	-	-	-	Singapore	12	-	-	2
Cruzeiro	2	-	-	-	South African	7	1	-	-
Cyprus	-	-	2	-	Swissair	-	-	10	10
Eastern	34	26	-	-	Thai International	12	2	-	-
Egyptair	8	-	-	-	Toa Domestic	9	-	-	-
Garuda	9	3	-	-	Trans Australia	5	2	-	-
Hapag-Lloyd	7	-	-	-	Trans European	1	-	-	-
Iberia	6	-	-	-	Tunis Air	1	1	-	-
Indian	10	3	-	-	Varig	2	-	-	-
Iran Air	6	3	-	-	Vasp	3	-	-	-
KLM	-	-	10	10	Wardair	-	-	6	6
Korean	8	-	-	-	Unannounced	2	1	-	-
Kuwait	3	-	8	-					
Laker	10	-	-	-	Total:	258	69	90	90
Libyan Arab	6	-	4	-		327		180	
Lufthansa	11	-	25	25					
Malaysian	4	-	-	-	Total orders A300/A310			348	
Martinair	-	-	3	1	Total options A300/A310			159	
Middle East	-	-	5	14				507	

## Market share evolution

Continued progress despite world-wide recession

% share (year-end cumulative)



partnership's task. Strict cost-control was also essential as was concentration of management and strategic decision making.

During the early 1960s, most of Europe's aircraft manufacturers began to study, both independently and in cooperation, projects for a high-capacity short-medium range airliner. This was a potentially very large market, some 60 per cent of the world's airline traffic was flying routes less than 4,600 kilometers in length.

The undertaking was too large for the industry of any one European country, and in 1967 a preliminary agreement relating to the definition and outline design of the airframe and engines of such an aircraft was signed between the governments of France, Germany and Great Britain. One airframe and one engine manufacturer were selected from each country to continue the process already begun both by the companies selected and by others, laying the foundation for the competitive design process which continues to ensure the excellence of Airbus Industrie products.

Participants for the airframe were Sud-Aviation (France) and Hawker Siddeley Aviation (Great Britain), together with a joint company formed in Germany by MBB and VFW-Fokker, and known as Deutsche Airbus. Responsibility for the project's power plant was allocated to SNECMA of France, Rolls-Royce of Great Britain and MAN Turbo (now MTU) of Germany. The project was designated A300, denoting the approximate seating capacity, and acquired the "trade name" Airbus, denoting the market trend which has intensified in the subsequent years. The concept had the great advantage of fitting into a market slot neg-

lected by transatlantic producers; with the twin-aisle twin-concept Europe gained a 10-year lead, which it is maintaining, says the brochure.

### Contracts

Between 1967 and 1969, Rolls Royce won the contract to provide the engines for the three-engined Lockheed L-1011 medium-range wide-body. It proved impossible to develop both the engine needed for the project and the more powerful engine required by the Airbus project as envisaged.

Partly for this reason, and also to meet observations by potential customers, the A300 project was redesigned the A300B, and was able to use any of the three new-generation high bypass engines, the General electric CF-6, the Pratt and Whitney JT9D and the Rolls Royce RB211.

However, the British Government and Rolls Royce then decided to concentrate on the L-1011 project. The French and German Governments were determined to continue with the A300 program, with which Hawker-Siddeley in Britain decided to remain in association in a private capacity.

Sub-Aviation and Deutsche Airbus were to have equal shares in a new organisation specially created for the program, and in which program leadership would be vested. The Franco-German agreement was signed on May 29, 1968. Airbus Industrie itself came into formal existence some 18 months later.

Since then, 45 international airlines have ordered the Airbus. Nearly 27 of them are already flying the Airbus.

Not one airline has regretted it, claim Antar Daouk.

## WATERFRONT PROJECT DETAILED

Kuwait ARAB OIL in English No 8, Aug 82 pp 18, 20

[Article by Anna Helal: "\$700M To Give Kuwait Waterfront a Facelift"]

[Text]

**W**ork was started recently on an ambitious project which seeks to completely transform the Kuwait coastline.

Costed at 700 million dollars, the scheme aims to revive activities along the shore, for many decades now largely unused because of modern urban development and a highway separating it from the built-up areas.

To contractors, planners and architects it has become known as the Kuwait Waterfront Project and according to the original Municipality brief it should add a new edge to the city, partly on reclaimed land, where future generations of children and adults will find mainly sports and recreational facilities.

The first phase of the scheme, work on which started in June, is costed at 134.2 million dollars and it therefore becomes one of the largest projects being undertaken in Kuwait right now. The limits of the 'first phase' are defined by the Qahwa Shabiya opposite the Belgian Embassy, and the 2nd Ring Road.

In four year's time that strip should be enlarged, stabilised through a revetment wall and planted with trees and shrubs. It should also be built up with a host of leisure facilities, including swimming pools, a yacht club and restaurants.

A large island, one kilometer in diameter, will be constructed about 300 meters from the shore and provided with more facilities. Meanwhile, it remains uncertain whether

other phases of the project, there are six altogether, will go ahead because of the huge cost involved and recent hints at austerity measures in the country's budget.

But an engineer working for the Ministry of Public Works was certain that all the phases would go ahead, albeit delayed. There is no question of cuts, he said.

The first phase of the project, encompassing 6.5 kilometers will be carried out 'in consortium' between two companies, one of which is the Kuwaiti based International Contracting Group (ICG), described in a May issue of the MEED magazine as 'ranking among the world's top ten of those working in the Middle East.

The company is less than five years old but it has surged forward thanks to wide ranging expertise of its shareholders who are specialised in civil engineering, building work, roads and other activities. ICG was formed by joining together several long established firms.

The other firm involved is the Belgrade based project Ivan Milutinovic (PIM) specialists in marine work. The term in consortium means that the contract defines strictly each partners share of the work and payment, in contrast to a joint venture in which both partners are equally responsible and also equally share in eventual profits or losses.

Accordingly, work has been strictly divided into two parts, Marine work includes dredging, land reclamation and the construction of a retaining wall along the whole length of the project, in its entire 21 kilometres.

Rock for the revetment will be imported

from outside, probably from one of the other Gulf states. ICG waterfront project manager Bassam Dahbar, said.

All the marine work, including the creation of the island, and 700 meter long jetty to receive the rock will be done by the Yugoslavs. Reclamation will eventually make the coastline strip wider in places by 200 to 50 metres.

As special feature of the marine works, Dahbar cited pioneering techniques which he said would be applied during the construction of the revetment. Some of the work will be done by specialists using diving equipment and in addition, a special fabric will be laid behind the rock to prevent sea contamination.

Conservation of plant and fish life will be greatly assisted by applying this technique he said.

Once the initial marine work is completed, ICG teams will move in to construct all the facilities designed for the waterfront revival scheme. More than 1,000 workers will be employed, Dahbar said.

The artificial island will have its own amphitheater, a water tower and playgrounds for children. Next to the existing Shaab Sea Club new premises for the Kuwait Yacht club will be built. There will also be many other smaller buildings, an international restaurant and a swimming club which is to have an olympic size pool.

Needless to say, service centers and car parks will also be provided.

Apart from the yacht club, which is expected to be run privately, all the other recreation facilities will eventually open to public. The Touristic Enterprises company is expected to be appointed as manager.

Extensive planting is envisaged for the new shoreline which, reclaimed, will manifest the fulfillment of a decades-long Kuwaiti dream to reclaim the associations with the sea.

As far back as 1961, the Municipality of Kuwait sponsored a competition to select a design for planned development of the coastal zone. The original master plan of Kuwait, drawn up in the early fifties by a London planning firm, Minoprio, Spencer and Macfarlane, had ignored the sea, despite its tremendous meaning to older inhabitants of the country.

A Canadian design for the redevelopment of the coast line was accepted and subsequently discarded as it proved too costly. But a new recommendation to designate almost 170 kilometers of the total 300 kilometers coastline for recreational open space activities was submitted in 1970 by Colin Buchanan, a veteran British planner.

Meanwhile, construction went ahead on the Arabian Gulf Road, completed as recently as 1978, which effectively shut off access to the coast to all but determined sea lovers.

The Municipality, however, acquired new land by building the road, partly constructed on the rubble of the old town houses, and the determination to press for the new edge lived on. A new competition in 1975 produced another winning design, by Sasaki Associates of Waterfront, US, submitted jointly with Ghazi Hussein and the Kuwait Engineers office in Kuwait. The core of those proposals was adopted and their subsequent plans reflect what is being implemented now.

The whole length of the project has been divided into six zones, each relating to a specific recreational activity and local focal points. Thus the main feature of Phase one is the island and the swimming club.

The other phases incorporate the Shuwaikh Children Water Park, designed partly as a botanical garden where visitors could study wildlife. Then there is the Sief Harbour Area, the Kuwait Towers Area, while at the other end the project will reach Ras Al Salmiyah.

Special plants which can tolerate high salinity of soil, frequent sand storms, high temperatures and sea-borne winds have been selected.

The buildings proposed for the project are to be deliberately low in height so as not to obstruct vision. They are to be unified in design, to give the whole Waterfront Project a sense of continuity.

Planting will also be used as unifying element. Because of harsh climatic conditions, plants will be grouped in clusters with very hardy trees and shrubs creating shelter for more delicate fauna. This simple approach to planting will facilitate easier maintenance by the staff, the plan states.

Drivers and passengers moving by vehicle along Khaleej Al Arabi will perceive the planting in mass forms and not as detailed

individual plants. Pedestrians and cyclists on the other hand, will be able to penetrate the clusters and enjoy the individual characteristics of each tree or a group of trees, the resume goes on.

So much planting is envisaged that a separate nursery could be established to provide sapling trees for the project. The plants could even modify local microclimatic conditions, it is thought.

The effect of massing trees will be accentuated by the use of split elevation, trenches, etc. So that a totally new landscape will emerge, the planners hope.

For Kuwaitis, whose long associations with the sea as traders, fishermen and pearl divers are well known to everyone, no doubt the project will be of added significance — it will return to them part of their history.

CSO: 4400/447

## BRIEFS

**SATELLITE TOWNS PROPOSED**--A proposal has been made to establish satellite towns bordering Kuwait. The towns will be self-sufficient in essential utilities such as water, electricity and food. Power will be supplied by solar energy, water by digging wells, and food by encouraging agriculture, according to Sheikh Sabah Al-Nasser, Assistant Undersecretary at the Ministry of Defense Engineering Department. "The plan we have envisaged involves minimum reliance on sources other than natural ones," he said. Al-Nasser added that his department had proposed locally trained engineers for the satellite towns and construction projects. He suggested that training courses should be open to Kuwait University graduates in this respect. The engineering and construction department at the ministry was set up in 1975, to supervise the execution of defense and military projects. "The department was given the task of building army barracks, and supervising top-priority military plans," Al-Nasser added. At the present time the department supervises 70 such projects, and has expanded its operations considerably. The department now includes design, maintenance and supervisory personnel, and has microfilm and computer facilities. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 20]

**JOINT PROJECTS WITH TUNISIA**--Kuwait and Tunisia have agreed to engage in joint projects for the extraction of uranium, and for a fertiliser industry in Turkey, according to the Kuwait News Agency. Describing the relations between Kuwait and Tunisia as 'ideal,' the Tunisian Minister of planning, Mansour Al-Malla, praised the role of Kuwait's Oil Minister in activating joint industrial projects. "such projects will assist in linking our interests and will lessen differences between Arab states," he said. Calling for more coordination between Arabs in fields of industry, Al-Malla added that the natural resources of each region should be pooled with Arab capital. In 1963 Tunisia established its first industry with an iron and steel plant, which, however, faced problems of high production costs. In the course of a six-year plan for economic development, Tunisia is now working out programs for the export of industrial products, the Minister said. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 20]

CSO: 4400/447

## JAMAHIRI GUARD ISSUES ANNOUNCEMENT CONCERNING VOLUNTEERS

Tripoli AL-FAJR AL-JADID in Arabic 16 Jul 82 p 6

[Text] The glorious revolution of 1 September stresses its daily escalation of the historic confrontational battle with all the forms, instruments, organizations, cultures and ideologies hostile to the freedom and honor of the masses and which steal their honest bread that they make through their blood and sweat. It also confirms each day its decisive victory in the battle to eliminate all fascist and class forces which drove the masses out of the realm of the practical and denied their historic awareness of the legitimacy to exercise all their rights within the possession of their political will and economic production, and smash the monopoly of power, wealth and arms by the dominant hegemonistic forces.

Therefore, the glorious revolution records its opening of the true age of self-liberation, in which the masses will regain their will, role and position in the movement of history, fashioned from justice and progress toward an auspicious future for free and radiant mankind. Through the new Jamahiriyyah ideology, the revolution is throwing off all the theoretical and historic justifications, upon which traditional political and economic experiences rely, and is dedicating the principle of authorization by the masses to make decisions, fashion policies and follow the course of action, and to detect more socioeconomic and political forces hostile to its role for the masses and dedicated to repression and exploitation. In this way, it has nourished hope for all the oppressed and afflicted, transcended the traditional forms of government and rejected all exploitative political systems, so as to announce a unique era that stirs the senses, dazzles the eyes and forecasts true freedom for the masses. The age of the masses calls for smashing the monopoly of the instruments of rule and exploitation of authority, wealth and arms. It has come to pass that the masses respond to their dreams and have begun their course of destiny to establish its presence, build its era and smash its enemies, in order to advance their glorious mission, which has become a sacred duty.

Our glorious revolution thereby constitutes a real danger to all the old and new forces that represent a hostile antithesis to the masses, through their

selfish and rightist ideological interests. Moreover, the revolution, through the accumulation of the movement of revolutionary action among the masses, has reisolated the fascist, bourgeois, exploitative, partisan, regional and tribal forces that are rightist forces in favor of repression, exploitation, intellectual intimidation, social decay and religious deviation, expressed through their interests and fighting to defend all conditions dedicated to unjust relationships.

Therefore, this revolution has become a principal target for rightist plots from all their local, Arab and international forces, under the leadership of American imperialism, and with all their factions and political trends allied together to strike at the historic and progressive position of our glorious revolution and to attempt to eliminate its accomplishments, gains and symbol.

#### Full Historic Partiality for the Masses

Because the glorious revolution, whose full and historic partiality for the toiling masses, peasants, minor officials, soldiers, women, domestic servants and blacks has been declared and which has today become a symbol around whose humanitarian and progressive theses all revolutionaries and freemen from all parts of the oppressed world rally, did not enter history through the gate of the fascist interests of a handful of soldiers fancying power and its relationship with the masses is not colored by elitist, selective, avant-garde ideologies which steal from the masses their role, their creativity, their desire and the details of their unyielding day in confronting the dominant, therefore, the responsibility of defending its existence, continuation and the victory of its historic theses and intellectual solutions of the crises of freedom and honest bread is the sole responsibility of the revolutionary force and the masses. This revolution was inspired by their long struggle and suffering, producing a revolutionary instrument that embodies the progressive values of this revolution, an instrument that does not depend on traditional employment structures, which swap blood for salaries, titles, posts, grants and gifts, an instrument that does not need orders from a governor, president, ruler, tribal shaykh or office, an instrument through which the masses of the glorious revolution announced the end--forever--of the era of blood as a commodity and ammunition as a commodity, and the beginning of an era of blood for freedom and honest bread and ammunition for freedom and honest bread. That instrument is the Jamahiri Guard.

#### Guard of Revolutionary Thought and Creative Theses

The Jamahiri Guard desired is the guard of revolutionary thought and creative theses, alone with immortal humanitarian principles and profound accomplishments, always welcoming sacrifice and prepared to give. They are propelled by their deep beliefs and revolutionary sense of duty, neither striving for remuneration nor material gifts, nor for fraudulent titles nor for transitory posts, which distinguish them from the traditional security and defense organizations.



## Call To the Masses of the Glorious Revolution

Let the masses of the glorious revolution hasten to begin their new march toward protecting the revolution with blood and shot and to undertake their historic responsibilities in defense of the green time, in defense of the restored authority, the liberating revolution and the people's arms.

Let honorable men and women carry the shields in defense of the revolution and its glory against the young men and old who do not want a part and who oppose the unshakable faith of those who defend their honor and their future and their freedom instead of a bonus and a salary, honorable men who will not allow themselves to be mercenaries, who sanctify the bearing of arms, because they are the instrument of the final defense of the sacred value. These honorable men do not defend only themselves, they defend their souls. They are not paid money, they give themselves. They are not offered anything, they offer their bodies as a target. No remuneration is offered to them, they offer themselves. They die so that honor may live. These honorable men who are called on to wear the insignia of the Jamahiri Guard in defense of the revolution and its popular system based on the power of the masses.

## All Places Are Open for Those Who Wish

The principle of defending the revolution is the duty of all revolutionaries. In implementation of the announcement of the acceptance of volunteers for the Jamahiri Guard, and to enable the revolutionary force to fulfill its historic duty, the following has been decided:

First: To open the doors of all revolutionary establishments in the Libyan Arab People's Socialist Jamahiriyah for those who wish to volunteer to join the Jamahiri Guard. Each place will register the following information:

Name, surname, place of birth and date, trade and place of work, and basic popular congress.

Second: Lists of the volunteers' names will be referred to the Liaison Office in the Revolutionary Committees.

## Clarifications:

1. The volunteers will be summoned for an interview or training at the place closest to the volunteer's place of resident.
2. Applications will be accepted from all groups who have the true interests of the revolution at heart, whether male or female, and without regard to age or level of education.
3. The volunteer will receive no material compensation.
4. Volunteering for the Jamahiri Guard will not affect official work, since it will be at the conclusion of work or study, according to circumstances.

## Conditions:

The only condition is the ability to fulfill one's duty.

7005

CSO: 4504/427

## DRIVE FOR INDUSTRIALIZATION REPORTED

Kuwait ARAB OIL in English No 8, Aug 82 p 72

[Text]

The growth of the Qatar Fertilizer Company, QAFCO, is one of the best examples in the Gulf of an energetic drive for industrialization says Mohammed Al Kubaisi of the University of Durham, UK, in a brief survey of the firm in the Arab Gulf Journal.

Even in the early 1960s the Qatar government was concerned at the wastage of natural gas, but the production of chemical fertilizers was not given priority. In early 1967, the government decided to carry out some of its plans for a nitrogenous fertilizer plant. This was to become Qatar's first major industrial project.

The involvement of foreign enterprises, which would have been controversial, was justified because Qatar had no management know-how, and there was a shortage of Qatari skilled labor and supervisors. There was also a lack of knowledge and technology about this kind of industry, and an absence of international marketing experience.

The main construction costs were paid by the government, which took a 63 per cent share in the project. Other shareholders were Norsk Hydro with 20 per cent. Umm Said was chosen for the plant's location because it offered several advantages in the form of a deep water terminal, proximity to labor supplies and ample room for expansion.

Site work started at the end of 1970, and by the end of 1973 all construction and installation of equipment was completed. The factory was designed to work at a daily capacity of 900 tons of ammonia, two thirds of which was to be used to give a daily capacity of 1,000 tons of urea.

By December 1974, QAFCO's board had already decided that the existing plant should be expanded, and the result was the decision

to build a new fertiliser plant of the same capacity as the first. Two years later construction started on QAFCO 2, and for the first time two Qatari firms became the main contractors. The plant came on stream in June 1979.

**Constraints**

QAFCO's expansion, however, has been affected by manpower and marketing constraints. At the level of senior management the shortage was met by bringing in Norwegians from Norsk Hydro, this led to the creation of a national training committee whose objective was to train Qatari nationals for senior management and operations. So far, however, the results have not been promising. The increase in the number of Qataris in senior management was only 5.2 per cent, and the proportion of Qataris in the total workforce had declined from 27 per cent to 16 per cent in a six year period. On the production and marketing side, sales, markets, prices and quantities are carried out by Norsk Hydro in Oslo.

Al Kubaisi draws a number of conclusions from QAFCO, which are applicable to industrialization in developing countries. The first is that the manufacture of high value products, needs imported technology, the second is that the nature of a high technology industry creates a demand for highly trained manpower, and managerial experience, neither of which can be quickly acquired. Thirdly, small states like Qatar find it difficult to enter into international markets, and this forces Qatar to depend on foreign companies for the sale of products. Fourthly, the domestic markets for locally-produced goods are too small, and despite Qatar's heroic efforts to industrialize, the economy will continue to be dominated by oil and gas in the future.

## BRIEFS

**NEW MARBLE PLANT**--A new marble factory with a capacity to produce 400 square meters of tiles in standard sizes was officially inaugurated in Doha, Qatar, early last month. A spokesman for the Mannai Trading Company (which owns the factory) said that it is equipped with modern automatic machinery from the Italian company TEMA. He added that the cost of the machinery is estimated to be one million dollars and the stock of marble granite slabs about two million dollars. The Doha based firm had established a marble cutting and processing facility in 1978 to meet local demand. The unit has now expanded into a factory with new equipment and machinery like the gant saw, bridge cutter, automatic polishing machine and manual polisher. With the start of the new factory, Qatar is expected to export marble tiles to Eastern Saudi Arabia, Bahrain, the UAE, and Iraq. The spokesman pointed out that this is one of the largest factories of its kind in the Gulf region. The factory has supplied marble to some of Qatar's major projects like Hamad General Hospital, Salwa Wholesale Market Mosque, Citibank, Almanah building and Qatar Gas and Petroleum Corporation Headquarters. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 73]

**DESALINATION PLANT**--Sumaismah, about 18 kilometers from Al-Khor in Qatar, may be the site chosen for the country's second power cum desalination plant, reliable sources in the Qatar government said. They pointed out that Ras Laffan, the nearest onshore point in Northern Qatar, which was the site chosen earlier, has been found technically unsuitable. The source pointed out that the new plant will have a capacity to produce 48 million gallons of water and 1,500 megawatts of electricity a day. Speaking about the functioning of the plant, the sources said that it will comprise of twelve distillation units and a number of power turbines. The sources added that the West German engineering firm, Fichtner Consulting Engineers are consultants for the project. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 73]

**MOBILE GENERATORS FOR UNIVERSITY**--Standby power for the University of Qatar's laboratories and classrooms is to be provided by mobile generating sets. The hexagonal units arranged in honeycomb fashion outside the main buildings, will be serviced by six mobile panda generating sets. These pandas are mounted on four wheel, turnable type trailers for greater manouverability, and enclosed to reduce the noise level to 85 DBA at one meter. They will provide power for vital equipment for experiments, and can be quickly driven to the areas required, where they are easily plugged in, ready for operation. The Qatar order, worth about 180,000 dollars, will be carried out by Dale Electric of Great Britain,

which will also supply two larger stationary units of the Empress type, to provide standby power for the main buildings. Dale Electric, one of Europe's leading manufacturers of generating equipment, exports approximately half its output, mainly to the Middle East, Africa, Western Europe and Asia. [Text]  
[Kuwait ARAB OIL in English No 8, Aug 82 p 73]

NONOIL EXPORTS--Qatar's nonoil exports increased by 295,000 dollars during 1980. It was 200,000 during 1979 and in 1980 it touched 495,000 dollars, according to statistics provided by the Qatari Ministry of Economy and Commerce. The statistics revealed that imports registered 1.4 billion dollars during 1980 whereas during 1979, it was 1.3 billion dollars, showing a slight decrease. The import of machinery into Qatar showed a decline by 22 percent. Nevertheless these commodities were nearly 44.2 per cent of the total imports compared to 53.3 per cent during 1979. The value of all other imports, however, increased. The bulk of the imports originated from Japan, West Germany, Britain, France and the USA. Japan was on the top of the list in exports to Qatar with 18.3 per cent, followed by Britain with 17.7 per cent and the USA was in the third place, while it was in the fifth place during 1979. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 73]

MORE NATIONAL BANKS--Although Qatar already has adequate banking facilities, two more national banks, one an Islamic bank and the other a commercial bank, are to be opened in the country. The new banks will increase the number of Qatari-owned banks to five, and the overall number to 15, including 10 foreign-based. There will be no increase in the foreign banks sector. Majed al-Majed, Director General of the Qatar Monetary Agency, said that this moratorium on foreign banks to encourage local banks. Planning for the Islamic Bank is in its final stages. The Commercial bank, however, will be a few paces behind, as plans are still under examination. A number of shares in both banks will be open for the public, but the Qatari government will have an interest in the Islamic bank. The Commercial bank is being promoted by Sheikh Mohammed bin Hamad al-Thani, and will be owned partly privately and publicly. According to Al-Majed, the liquidity situation in Qatari banks has vastly improved owing to the downturn in dollar interest rates. The surplus fund, which had been finding its way to the dollar in search of higher returns, is now making a comeback to Qatar riyal deposits. This is a complete reversal of the trend which had set several foreign banks in Qatar facing liquidity shortage last year. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 73]

CSO: 4400/446

# DEBATE OVER NATIONAL LAND MANAGEMENT, PART II

Tunis DIALOGUE in French No 413, 2 Aug 82 pp 18-25

[Report on debate organized by Raja El Almi and Mohamed Kenine, with the participation of Bechir Ben Ismail, president-general director of the National Land Office; Sadok Bahroun, president-general director of the Tunisian-Saudi Investment Company and developer of the "El Marja" Project; Ezzeddine Chelbi, general director of planning, Ministry of Planning and Finance; Mohsen Chebil of the Ministry of Agriculture; Habib Guissouma, director of UCP [expansion unknown], Ministry of Agriculture; Abderrahim Zouari, member of the National Assembly and chairman of the Agricultural Commission; Mohamed Gharbi, official representative, Office of the Prime Minister]

[Text] What kind of management for national lands?

This question is of the utmost importance on the eve of the Sixth Plan; the plan's objectives actually provide for an agricultural growth rate of approximately 4 percent annually. More than a gamble, this ambition may take on the appearance of a long shot if conditions favoring such a performance are not created at the same time, especially considering the more than modest, and even uncertain, growth rates recorded in the last few years.

Such conditions include a new agricultural management system, for which a specific investment code has just been prepared, for which a series of institutions has in turn been established, for which, finally, a never-before-achieved investment package has been approved for the next 5 years.

How can a new agricultural management system be achieved?

In view of the fact that more than 80 percent of agricultural land in Tunisia is parcelled out and divided into small farming operations, despite the entire efficient promotional apparatus established we cannot expect to achieve the objectives in this way, no matter how great an effort farmers make. The efficient management of large land areas must therefore be encouraged, and most large land areas belong to the state.

And so much the better for this, inasmuch as the state alone a fortiori, when it is socialistically and humanistically oriented, can and should assume the responsibility for making this possible.

These large areas of land can therefore be a choice area of experimentation, because their impact on national production is already significant, qualitatively much greater than their area; since they belong to the state, they should be an example and a living incentive for farmers, a center of influence and an innovator in new techniques; because promising solutions have also been identified, which will find favorable ground there: in particular, these are investment and agricultural development companies, a new type of operation.

With regard to these issues, we brought together individuals directly concerned with them and who were willing to provide the public with a summary of reports, considerations, evidence and proposals. The result was that, even if opinions diverge on certain aspects, since any reform of this scope could not be accepted without some reservations, which do not challenge its basis in any way, we again discovered that each individual's basic motivation remains the higher interest of Tunisia, a factor whose nature will encourage a rapprochement of views and will favor a consensus of opinion ....

We are publishing the second part of the debate this week.

It is obvious that a debate on a topic as decisively important as agricultural reform could not be concluded with a consideration of only one of its aspects. In coming weeks, we will therefore take up other aspects of this reform in order to examine them more thoroughly ....

Ezzeddine Chelbi: With regard to national lands, I will raise the problem of priorities and not of limitations.... Assuming there are priorities to be established, I would prefer that we try not to increase the size of a single sector, such as livestock breeding, by 20 or 30 times while neglecting all the other sectors, but that we instead make sure to diversify in order to have as much diversity as possible in each area whose orientation is automatically determined and preferably to have a model of such companies, which could influence the rest. Thus this becomes a choice of priorities by operation.

For example, suppose an entity for hothouses for export is set up in an area such as the Sahel and that an entity for livestock breeding is set up in another area such as "El Marja," and that an entity for vineyards is set up, etc.

In that way, we cannot fail to succeed. If we don't manage to have such representativeness, however, that doesn't mean that every time I have one livestock breeding unit I systematically refuse to have a second unit as long as other operations are not covered.

Bechir Ben Ismail: What will we do with the rest of the national lands? We're talking about a final choice.

Abderrahim Zouari: We could begin gradually with this choice until we get to that final choice.

Bechir Ben Ismail: In the meantime, the land will suffer....

Ezzeddine Chelbi: We haven't asked that the OTD [National Land Office] quit investing. We haven't said that agricultural combines will cease to exist and are all on the verge of being changed and that development will be stopped.

Bechir Ben Ismail: That is why Mr Abderrahim Zouari told you that it is necessary to choose certain areas and they will say which future companies will be established therein.... The government will worry about those areas and will consolidate them....

Ezzeddine Chelbi: Over the last 3 years, for example, the OTD has made a special effort concerning the El Alam agricultural combine. That's a fact. It is a special effort.

Naceur Kilani: And Enfidha as well.

Bechir Ben Ismail: And the rest of the lands?

Ezzeddine Chelbi: I said that we are beginning. There is good reason to begin. If a priority is defined, it doesn't mean that everything that doesn't fit in with that priority must be ruled out. I am saying that we should encourage as much representation as possible for all sectors.... We could manage to have complete representation at the end of 5 or 6 years.

I understand that the OTD, in its discussions with the developers, said no in the case of El Alam, even if another bid is submitted to you, since you are already in the process of investing in or developing that land. You exclude El Alam. It is logical to do that. You concentrate your efforts each year or every 2 or 3 years on a few units ... you continue to invest in them at your rate of investment, as much as possible to improve it over other lands ... but every time that someone applies to you as a developer for a company, for very fast development and as intensive as what you did with El Alam, you say that will free us proportionately and will enable us to concentrate our efforts on other lands.

Sadok Bahroun: There is another idea that I want to point out. The main purpose is for any project of the El Alam type to have an impact on its environment. If it constitutes an isolated enclave, it will not have any beneficial effects. The developers of these projects must be obliged to provide all services needed by the region's farmers.

The project must really have a significant impact on the whole region's agriculture. Thus this is not solely a profitable project, but one which must produce favorable effects. That is the main purpose of the project. I agree that the government, when it awards a contract to a private company, can require not only that the investment be made but also that the project have effects on all the agriculture of the region.

Mohamed Kenine: The project's influential effects would definitely have to be developed.

Sadok Bahroun: I totally agree.



Ezzeddine Chelbi: Take the case of early fruits and vegetables, for example. Whether this project produces crops from 20 or 50 hectares, all marketing services for early fruits and vegetables should be provided for an area of 200 hectares and not 50 hectares.

Sadok Bahroun: For all of the region's farmers, that is precisely the plan.

Ezzeddine Chelbi: If that is the case, I consider it an excellent idea, because the company will have used engineers and will have provided guarantees to banks, which will grant it farm loans. It will have provided all the extension services which cannot be provided at the present time.

Sadok Bahroun: We mustn't think that financial institutions will solve the problems of Tunisian agriculture. But they will have helped to solve these problems as a result of the influence which they will have on farmers in the regions in which they take action.

Mohamed Charbi: I want to repeat the word you used, that is, contribute ... thus preference must not be given to a certain type of operation. For example, preference must not be given to companies of the El Marja type. But we can use the entire arsenal which we have available, that is, also the strengthened and developed agricultural combine of the El Alam and Enfidha type.

Sadok Bahroun: Not state-controlled.

Abderrahim Zouari: As long as there are no other developers ....

Ezzeddine Chelbi: There is a basic choice which exists in the plan of general guidelines for the role of government. In general, the government must basically reinforce its role of decision-making and control, so that every time it is possible to delegate the act of production to a private entity in a production sector, it will do so.

Sadok Bahroun: From a management standpoint, I am not in favor of government control .... I work for Tunisian agriculture and for the Tunisian economy, but this must not be directly managed by the government, by a government agency. It must not be. And that is the present trend; there must be "mediatization" of government intervention in the economy.

Ezzeddine Chelbi: If we were to estimate a goal, at the end of the plan's 5 years we should manage to really set up and make operational about 50 entities like El Marja; that would give us time to see what results that produces and how that takes place.

Once again, I want to make it clear that doesn't mean that the OTD and UCP must not invest.

It would be really serious to think that all their lands were on a wait-and-see status and that those structures would fold their arms and not do their duty ....

On the contrary, the creation of such entities, whether they number 20, 50 or 80 at the end of 5 years, should constitute an incentive for assuring a comparison.



If there is a problem with workers, take them to see what is being done elsewhere and ask them where they stand; if there is a problem with managers, take the managers there. I am sure that the developer himself, when he finds a good agricultural combine or a UCP operating properly and producing very good results, will not fail to go see what is taking place and to make further improvements. But there is the problem of financing. Let's suppose that we could set a goal of establishing 50 such companies, at an investment rate of 8 billion each. I use El Marja as a reference; that makes 400 billion. If, as was said a while ago, the OTD's structures could be improved, is it conceivable that we could today decide to put an additional 400 billion directly into the OTD?

Mohamed Gharbi: That's impossible!

Ezzeddine Chelbi: The real absorption capacity of the OTD doesn't exist. Thus there is already a basic economic factor; regardless of the structure chosen, even if my ideology is counter to this principle, I will not be able, by changing the OTD's structure, to achieve that goal of investing 400 million.

Mohamed Gharbi: Investment is not a goal in itself.

Ezzeddine Chelbi: It is a question of implementing a production and export investment program requiring an investment of 400 billion. If there are developers who would be willing to increase this potential, they would be welcome.

Sadok Bahroun: I believe that all projects which are going to use national land should be developed, studied and negotiated with the OTD as a full-fledged partner representing the Tunisian Government and Tunisian agriculture. It was never my idea for companies to necessarily take over national land and replace the OTD as an enclave. The OTD must itself be convinced that there will be an added value for the Tunisian economy as a result of participating in these new companies by contributing land which it previously managed. It must be convinced of the merits of this operation for the Tunisian economy. Based on what I have seen, the OTD is well aware that it cannot manage a 400-million-dinar investment and that this is done with appropriate structures which themselves are capable of the required financing ... this is a basic feature ....

Mohamed Gharbi: Perhaps diversified structures?

Ezzeddine Chelbi: There mustn't be any ideology in all of that ... there is economic, social and political efficiency. When I say political, I refer to agricultural policy.... There are choices in the case of operations, exportation, food security....

Mohamed Gharbi: If the appropriate structure is going to be dominant, in this case this is the equivalent of transforming the private entity into that structure.

Ezzeddine Chelbi: Impossible, because we can't press a button and automatically have 260 developers. That isn't realistic.

Mohamed Gharbi: I believe that the problem is our available working capacity. All our available arsenal must be used: large farms of the El Alam and Enfidha type, development and valorization companies of the El Marja type, UCP's. Consolidated and probably transformed into development companies, this arsenal and other types of measures will make it possible to realize millions of dinars in the 200,000 hectares.... I believe that this is a problem of financing and management.

Ezzeddine Chelbi: All legal conditions favorable to maximum optimization of the land's potential must be provided.

Raja El Almi: Do you think that these legal conditions are clear at the present time?

Ezzeddine Chelbi: The draft agricultural investment code considers this problem. It is only a legal text which defines that, but the bases of this legal text are derived from very thorough analyses. First of all, an analysis of agricultural potential. They are also derived from material and human capabilities for realizing this potential. The diversification mentioned by Mr Gharbi leads to that.

Bechir Ben Ismail: Do we all agree that national lands must not be divided up, particularly the large estates? Must they be maintained as viable units for the economic plan? I believe that we all agree on maintaining the large estates in the form of viable units ... we also agree on finding all management possibilities (development companies, reinforced OTD, consolidated UCV [expansion unknown]). All forms which guide us toward important potential and assure the Sixth Plan's goals. Another question to be raised: perhaps in the investment code, plans have been made for establishing companies or small cooperatives of 50 or 100 hectares to encourage young technicians to develop companies on national lands.

Ezzeddine Chelbi: Perhaps the term developer is being generalized to include small farms with a special advantage for technicians.... But forming an association between small farms and technicians is a bad approach. It is not necessarily the agricultural technician--experience has unfortunately proven this--who is the best manager of a farm, even of medium size.

If someone comes forward with his own resources to realize the potential of a medium-size farm of 400 or 500 hectares, it is not because he has the money that he will be given a priority. That becomes demagoguery ... it is because he is risking his money on that farm. For us, that constitutes an operational guarantee. The recent unfortunate experience of the 14 La Mejerda parcels distributed to technicians demonstrated this.... Those technicians can't say that they weren't offered every means (credit advantages, wages, lodging, other facilities ...).

The person who is going to invest in the land is the best guarantee, because he isn't going to throw his money away. And unfortunately, the government's money is being thrown away through subsidies and credits. The results are there. Mutual guarantee companies. With capital of 350,000 dinars, they now owe the government 8 million dinars.

Naceur Kilani: I would like to talk about the Enfidha agricultural combine a little. It is a large estate inherited from the former French colonists. But its operation began well before colonization. That means that the French had started planting the olive trees in the best soil. Unfortunately, when Tunisia inherited those olive trees they were already old. The Enfidha farm, 11,000 hectares in area, includes 2,600 hectares of adult olive trees which are now old and whose yield is low, since most of the trees are more than 70 years old, although it is well known that an olive tree should be replaced after 60 years. The agricultural combine's main resources come from olive revenues. Since the trees have started to age, the OTD, to alleviate the resulting financial debility--since it has found itself with 500 workers whose expenses are increasing more and more--has decided to invest in other areas of specialization and operations, which would make it possible to diversify revenues and offset that financial inadequacy. We now have projects underway in the amount of 6 million dinars ....

Sadok Bahroun: Above all, private entities would have to be encouraged to invest in agriculture ....

Bechir Ben Ismail: I don't agree. The government needs a certain amount of security, especially in the case of food. The government should control at least 10 percent of food production ....

Sadok Bahroun: The government should not play the role of the private sector. That applies to all agricultural sectors. But the government should undertake everything which is difficult for private entities to achieve.

Ezzeddine Chelbi: A government managing national lands has an interest in deriving the maximum from them. As long as the government is in charge of land management, it should seek optimum production from the land.

Mohsen Chebil: The role of an agricultural combine must first be determined before deciding whether or not to maintain it.

An agricultural combine has a market-regulating role. It also has the role of exerting influence, of a sectoral reference and of experimentation.

I say this in order to reach a conclusion: Aren't we in the process of "putting the OTD on trial"?

Sadok Bahroun: I don't think so. The OTD has never been put on trial. I am a civil servant and I am in a government agency. I represent the government.

Mohsen Chébil: I think that Mr Ben Ismail should make a comparison of the OTD before 1976 and the OTD after 1976. A while ago, Mr Bahroun and Mr Chelbi said that a considerable effort has been made by the OTD. I think that effort would have to be continued.

Now we want to create other structures. One such structure was created in accordance with the law of 22 September 1969, which concerns paragovernmental companies in which the government has at least 51-percent control. One example: the El Marja Company. There is a bill which is currently being studied by the National Assembly. That law could reorganize paragovernmental companies.

Which lands could be entrusted to those companies? They are lands which offer an agricultural potential whose development cannot be promoted by present structures.

Ezzeddine Chelbi: A slight basic difference: in the next 5 years, there is no program for intensifying and realizing the potential of the existing 260 units.

Bechir Ben Ismail: A distinction must be made between theory and application. There are currently 300 units (500,000 hectares), some of which are producing good results while many others are suffering from a lack of investment resources. How can this situation be balanced?

Sadok Bahroun: It is necessary, first of all, to worry about everything that is not included in the OTD's development program for the period of the Sixth Plan. As for us, we plan to implement three major agricultural projects during the Sixth Plan.

Bechir Ben Ismail: To develop the land's agricultural potential, it is necessary to have the means. We must conclude agreements with agricultural development banks in order to avoid very high interest rates (10 and 11 percent).

Ezzeddine Chelbi: Assuming you are granted the resources at agricultural interest rates, that is, interest rates other than banking rates, you could expand your program. My response to you is different: When you ask for that--obtaining funds under the conditions which you desire--the question which arises is one of finding out where it is possible to obtain them? The financing of a plan is well known. It comes from national savings, foreign credits, foreign investments .... Any additional operation for countries at the global level must mean applying to the money market. There could be a percentage of supplier credits as a result of the purchase of farm equipment, but the remainder will necessarily require a financial arrangement. The whole thing is a matter of a choice. This choice is national.

Bechir Ben Ismail: I believe that we all agree on the fact that the OTD will not be able to solve all the problems facing it at the present time all by itself. Its structure is very sluggish. For 3 or 4 years, we have made an investment of approximately 50 million dinars. That isn't always easy because of numerous problems of supervision, organization ... thus there are many factors favoring the diversification of these structures and the search for other ways of rational and scientific development of the agricultural potential.

In this regard, it should be said that agriculture is not an easy operation, either in the case of a large farm, a medium-size farm or a small farm.

Mohamed Kenine: These companies seem to represent an initial solution to agricultural problems in relation to the local context. Aren't they structured in a way that is apt to improve, intensify and increase production, sales, exportation and especially gradual modernization of the ways and means of development? In this case, wouldn't it be necessary to further develop the concept of establishing such companies?

Ezzeddine Chelbi: Tunisian reality is leading us to conduct new social and human experiments to make the agricultural potential of these lands profitable. It is not enough to break up, diversify or multiply the OTD's structures; those who work the land should also be further motivated.

As for new structures, they are of the utmost importance. They must not be established at the expense of other sectors. Nor must they constitute a heavy burden for the government. On the other hand, they can provide additional financial resources, imaginative capabilities and new accomplishments.

Sadok Bahroun: The establishment of these companies must conform to a certain number of principles and rules (no appropriation of land, observing a schedule of conditions, respecting social constraints). The problem of financing remains. It will be partly solved by Tunisian-Arab banking institutions as part of the total investment package allocated to agriculture during the Sixth Plan. These institutions are legally Tunisian and will be managed by Tunisians. Why shouldn't agriculture, like other economic sectors (tourism, industry), benefit from foreign investment? As much capital as possible should be channeled to this sector so that it can develop. Perhaps there is a "psychological block," which must absolutely be eliminated, concerning the participation of Arab capital in the development of agriculture.

Mohamed Gharbi: Especially since Tunisian agriculture is conceived as a food-producing agriculture. Currently, agriculture is the land plus labor and very little capital. This is a food-producing, revenue structure. It is obvious that much more capital than currently exists is needed for going ahead with agricultural development.

Abderrahim Zouari: Is the capital of these new agricultural development companies solely Arab?

Sadok Bahroun: There is also a participation of the Agricultural Development Bank and capital of European and international origin.

Abderrahim Zouari: I see that the text of the law stipulates that participation in the capital of these companies can only be Arab.

Sadok Bahroun: In that case, the Tunisian-Qatari-French Bank could not implement agricultural projects.

Mohsen Chebil: That isn't in the text, but rather in the explanation of reasons, where priority is given to Arab capital. Direct participation must be Arab.

Abderrahim Zouari: That is a way to encourage Arab capital. But it must not be forgotten, as Mr Bahroun said, that the board of directors is Tunisian and management is Tunisian ... This is only a property lease which can last for 10 to 30 years. Apart from that, the land is still available and can be taken back at any time for public purposes.

Diversifying the solutions for promoting agriculture has become a necessity. These companies are coming in at a time when the government is granting a

special place to agriculture, since until now agriculture's number one problem was the lack of investment. It seems to me that this problem will be solved, to a great extent, only by the 19 percent which the plan is granting to the agricultural sector. Agricultural improvement must be carried out at the level of both production and services. If service companies were also to be established, they would be welcome, because the Tunisian farmer greatly needs them.

Bechir Ben Ismail: A solution should also be conceived in which it would be possible to control large farms while granting them a certain degree of managerial and operational independence.

Mohamed Gharbi: The OTD's mission is to move toward maximum decentralization and more and more independent management. Nothing is preventing the OTD from creating subsidiaries.

Bechir Ben Ismail: How?

Sadok Bahroun: Within the framework of the El Marja Company, we have tried to motivate members of the cooperative to participate, even symbolically, in the company's capital.

Socially, the company must constitute a step forward for the member of a cooperative. The basic goals of establishing these companies include assuring that the incomes of the people working in them are increased. Besides the number of jobs, which has more than doubled, the quality of this employment has also improved.

The social problem is solved in the case of these companies because either they produce a surplus, in which case it is legitimate for the worker to demand an increase in wages, or they produce a deficit and they will no longer have to turn to the government to satisfy the new demands of workers.

Mohsen Chebil: A while ago, we talked about a schedule of conditions. It should be added that at the end of the lease, all investments made revert to the government without compensation.

Mohamed Gharbi: Could we get an idea of the other El Marja-type projects which you plan to implement during the Sixth Plan?

Sadok Bahroun: We plan to establish a company near Enfidha for early vegetables and fruits, plus a service company for all farmers in that region.

We plan to establish another company at Sidi Bouzid for sheep breeding. This will be an integrated establishment. We are also participating, at the rate of 30 percent, in the BDET [Bank for the Economic Development of Tunisia] vegetable project.

The El Marja Company will also have a dairy that will produce 100,000 liters daily. We also plan to establish three export companies with a foreign partner.

11915

CSO: 4519/278

BANKS PRUNE CREDIT

Dubayy KHALEEJ TIMES in English 15 Aug 82 p 1

[Article by K. P. Nayar]

[Text]

BANKS in Dubai have begun a "pruning" of credit to avoid a repetition of the crisis last year that led to several bankruptcies and the flight of businessmen.

The move is a sequel to the closure of two firms last fortnight in circumstances similar to the crisis sparked by a recession in the textiles and electronics market last year.

The recent closures, one in Dubai and the other in Abu Dhabi, were the result of a fresh accumulation of textile stocks.

Bankers said they were enforcing a stricter scrutiny of credit proposals in order to prevent the recurrence of bad debts.

"There is no credit squeeze, but only a pruning of credit," one banker said, referring to complaints from a section of the trade that banks were becoming tightfisted.

Bankers say that they are honouring all previous commitments and are willing to look at any viable proposals submitted by businessmen. "But the days of easy credit when finance could be obtained for any venture are over," one bank manager said.

Particularly under scrutiny is the textile trade which is once again in the throes of a recession.

Sources said textile merchants have been stocking identical items, popular in the local market, ever since the downturn in trade with Iran. This, in turn, led to cut-throat competition and a heavy accumulation of goods far in excess of demand.

Stocks are also said to be building up in building materials and plywood although the construction industry has been looking up in recent months after a long slump.

Also contributing to a similar situation in the electronics trade is the pace at which video cassette recorders have been going to India.

The launching of the VCR gift scheme in India had raised the hopes of local electronics dealers who placed large orders with manufacturers at a time when the electronics trade was emerging from last year's recession.

With the scheme caught in a bureaucratic maze, the dealers are now landed with large stocks which they are struggling to clear.

Meanwhile, bankers are emphasising the point that steps to prune credit are in line with the Central Bank's repeated directives to commercial banks.

They said the average lending deposit ratio in the country had already been brought down to about 100 per cent, largely at the initiative of the central monetary authority.

Although a significant improvement over the earlier figure of 200 per cent, they point out that it is the declared objective of the Central Bank to reduce the ratio further to at least 65 per cent.

CSO: 4400/445

STEPS TAKEN TOWARDS ARABISATION

Kuwait ARAB OIL in English No 8, Aug 82 p 62

[Text]

The UAE has started taking some concrete steps towards the Arabisation of its banks' staff. New regulations call for stricter control over the issue of visas to banks personnel. Recently visa applications of three banks for new staff were turned down because they did not employ enough Arab employees.

A reliable source in the UAE government said that particularly foreign banks were under pressure.

The UAE government has asked for at least 25 to 30 per cent Arab employees in each bank. The banks have responded by employing Arabs in low category jobs. The government is now trying to get an even spread of Arabs in jobs of all categories, including senior administrative posts.

A banking official said that the banks are more than willing to comply with the government requirements, but Arab staff is not available. School and university graduates do not want to start in jobs in banks.

**Salaries**

The official added that salaries in the banking sector are lower than those offered by government ministries and other services. This acts against Arab youth taking up jobs in banks.

Most of the UAE youths, after graduation, prefer to go into business of their own.

The official added that foreign banks may find a relief in the fact that soon several of their branches will close down and the staff of these banks will be available for employment by the branches which will continue running.

UAE monetary authorities, in 1980, restricted the number of branches of any foreign bank to eight. Several banks have more than this number in operation.

One likely result of the visa restriction could be a minimum of three years service before a transfer. No bank is going to transfer its staff home, unless it has visas for replacements.

CSO; 4400/445



## AGRICULTURE SELF-SUFFICIENCY DRIVE CONTINUES

Kuwait ARAB OIL in English No 8, Aug 82 pp 61-62

[Text]

**T**HE United Arab Emirates are concerned to develop self-sufficiency in agriculture, there are, however, a number of obstacles to be overcome before this can be achieved.

Only about ten per cent of the land in the UAE is suitable for cultivation, due to the harsh climate and the rapidly increasing population, causing a rise in the amount of land needed for housing and industry. A vast proportion of the country is arid desert, while much of the remaining land, in the less arid Northern emirates, is mountainous. The total amount of cultivable land is about 35,000 hectares.

The country's annual rainfall rarely exceeds 100 mm, a large quantity of which falls in concentrated downpours which are of little benefit to farmers. Conditions are even worse in Abu Dhabi, which accounts for about 67,000 square kilometers of the country's 77,000 s.k. total area. Rainfall recorded at Abu Dhabi International Airport in 1980 reached only 18.8 mm.

The Emirates, however, are busily constructing power and desalination plants to meet the demand for water. A further 22 desalination plants are scheduled to be built during the rest of the decade. At present the demand means that the aquifers are being depleted at a rate of about 355 million cubic feet of water per year, and the demand is rising. The Abu Dhabi Department of Planning reports that water consumption has risen

from 7,576.5 million gallons in 1979, to 10,571.9 million in 1980.

Most of the water for irrigation, drinking and industrial use in Abu Dhabi is provided from artificial sources, although the inland oasis town of Al Ain, east of Abu Dhabi, paints a different picture entirely. Al Ain used to be the center of the emirates agricultural activity, and was dependant on water from underground aquifers. Between the years of 1976 and 1979, the number of working wells increased from 23 to 65, with average daily productions rising from 2,884,200 gallons to 9,806,000 gallons. The number of wells grew even more rapidly in 1980, with the total number standing at 106, with a daily production of 13.9 million gallons.

**Salinity**

The massive increase in working wells has caused the water table to drop dramatically, causing a noticeable increase in salinity. Recharging of the aquifers proved inadequate to cater for the area's 10,000 small farms, the rise in new industry, and population of over 120,000. An answer to the problem had to be found. It has now been decided that Al Ain should be linked to a new national water supply, so that the town can take advantage of the increased supplies of desalinated water. Ten years ago Al Ain's wells provided sufficient water to be piped across the desert to Abu Dhabi.

At the end of last year the Ministry of agriculture and Fisheries launched the first 'save water' campaign, conducted through the press, radio and television. The campaign imposed strict controls on drilling, and a number of contracts were awarded for the

construction of wadi dams to catch rainwater. It has been estimated however, that up to 100 million cubic meters of water is being lost through runoff to the sea from these wadis.

The Ministry believes it is possible to help counter the effects of the harsh climate by means of arid-zone cultivation technology, and to continue reclaiming marginal land with desalinated water supplies. In some areas however, large-scale investment has come to nothing, as reclaimed land has had to be abandoned due to rising salinity levels.

The government has had to face an extra problem in trying to encourage citizens to take up agriculture as a career.

In some parts of the country, like the poorer but more fertile northern emirates, many UAE citizens are still farming in the old family tradition. There is, however, a lack of alternative employment.

In the east coast emirate of Fujaira, almost two-thirds of the population are still involved in small-scale farming and fisheries. The government are attempting to provide them with advice on methods to improve yields and increase profitability. Last October a national price control and marketing mechanism were announced.

#### **Artificial**

Tern years ago a research station was set up on Sadiyat Island, and has been successfully growing vegetables in totally artificial conditions. Information gleaned from Sadiyat is now being utilised in other parts of the country. In Al Ain and Dhaid, experiments have been conducted in sunshaded outdoor cultivation, and results are being adapted for commercial use on private and government-owned farms.

UAE school students have, rather predictably, opted to study for more glamorous careers, particularly in the petroleum industry, rather than pursuing agricultural studies. There has been little investment in agriculture by major businessmen either, they prefer to see a more rapid return from trade.

There are however, signs that this rather bleak pattern may be changing. Some of the rulers of the seven emirates are showing interest in agricultural matters. President Sheikh Zayed Bin Sultan Al Nahyan, for example, ordered the construction, in 1981, of

an integrated dairy and cattle farm, and Sheikh Hamed of Fujairah is promoting a large scale dairy farm for the emirates.

The overall picture is one of small and consequently unprofitable farms. Owners see a large number of farms as a matter of prestige, as a source of domestic supplies, and sometimes as little more than a hobby. According to the draft of the Ministry of Agriculture's five year plan, the smallness of the farms, worked largely by untrained foreign labor, is one of the major obstacles which limit agricultural development.

#### **Program**

In recent months the government has begun to introduce a program of large-scale farming, sponsoring individual farms, and some businessmen in Ras Al-Khaimah have decided to adopt the Sadiyat Island techniques. The Ministry has concentrated on cultivating non-traditional crops such as onions and potatoes, and hopes for an initial yield of about 30 tons per acre. The Ministry is also interested if possible joint ventures with a number of foreign governments, including Britain, Austria and Denmark. It is hoped that in the government sector more capital-intensive production can be achieved, and more modern methods will help in the plan for self-sufficiency.

At the time of independence, in 1971, there were no modern poultry farms, but today the bulk of the country's requirements of chickens and eggs comes from farms in Umm Al-Quwain, Dubai and Al Ain. Wheat cultivation has been successfully introduced in Al Ain, with production approaching one million kilograms per year.

The cultivation of salad vegetables is now enough to meet local demand for several months of the year, there is even a surplus for export. The 1980 surplus stood at 12,000 tons. The UAE now produces around 38 per cent of its food needs locally, and significant advances are expected within the next three years.

According to a recent ministry report, the UAE should reach the point of self-sufficiency in fish and poultry production, and be producing about three-quarters of its fruit and vegetables, by the end of the decade.

## CHAMBER OF COMMERCE ISSUES GUIDELINES ON FRAUDULENT PRACTICES

Dubayy KHALEEJ TIMES in English 14 Aug 82 p 5

[Text]

**THE** Dubai Chamber of Commerce and Industry has warned merchants importing goods from abroad to enter into deals only with reputed companies.

The warning has come in the wake of an incident in which several Dubai merchants were defrauded while importing goods from the Far East.

The following is the chamber's statement, issued yesterday:

In November 1981 a group of merchants submitted a complaint to the chamber stating that goods, most of which were wood, were shipped to their account from Malaysia and that the ships aboard which these goods were shipped were seized in Singapore because of disputes between the owners of ships and those who bought the ships as the price of the ships was not fully paid, between the exporters of the goods and those who sold the goods to them but did not receive the price or a part of it, and between the sailors and the captains of the ships because of unpaid salaries. The chamber, as a result of inquiries discovered the following:

The ships were "Seem Lee" and "Lucky Willing." There was a third ship named "Fellow Wealth" which was seized along with the two ships but there were no goods for Gulf merchants aboard it. These ships were flying the Panama flag according to their registration. The ships sailed from Malaysia and when they anchored in

Singapore they were seized for the afore-mentioned reasons.

The version of the owners of the ships was: a Malaysian company, "Shetraco", bought the ships from their owners and paid a part of the price and pledged to pay the balance before the ships left Singapore port. The owners allowed loading of new goods aboard the ships for merchants in the Gulf countries. After the ships were loaded Shetraco did not pay the balance of the price and so the ships were seized. Wages of sailors were also not paid.

The version of the owners of the goods was: Shetraco, having bought the ships, also bought wood without paying its price to the sellers. Despite that, the company loaded the wood aboard the ships. The owners of the wood seized the ships to realise the dues.

The owners of Shetraco company are Mohamed Jeilani bin Salmeen and Mr Ghani.

Mr Salmeen and Mr Ghani, till the end of 1979, were out of public eye, because of similar problems. When they returned to limelight they began contracting in fictitious names and started issuing bills of lading, partially or wholly forged. They collected the amounts on letters of credit opened by Gulf merchants.

From this money, they made the advance payment for the ships but they did not pay the price of the wood, which they shipped to the importers. That was why the wood was seized.

The result was the Gulf merchants paid the price of the wood but they did not receive it. The chamber announced that it would hold a meeting of merchants who had any goods on these ships and there were 17 merchants in Dubai who were affected.

The chamber followed the procedure it usually follows in such cases. It formed a committee of these merchants to facilitate follow-up action. The committee continued its activity and contacted affected merchants in Bahrain. It also contacted a legal office in Singapore.

A committee delegation accompanied by the legal adviser of the chamber, went to Singapore and Malaysia. It contacted all authorities concerned and visited the seized ships in the open sea. The lawyer lodged civil cases before the court. A representative of the committee visited Bahrain for coordination with merchants there. Also, a delegation of Bahraini merchants came to Dubai. The committee, with the assistance of the chamber, arranged a meeting and called lawyers from Singapore and representatives of Dubai merchants and the matter was discussed.

### Forged bills

The Singapore lawyer obtained court order to unload the goods from "Seem Lee" and hand them over to the owners. But it was discovered that some of the bills of lading which the Bahraini and Dubai merchants possessed were forged and did not represent

ent any loaded goods, while some of the bills represented only 10 to 15 per cent of the goods.

The goods were reshipped to Dubai and Bahrain and their owners received them two weeks ago.

"Seem Lee" was auctioned on the order of the court and its price is to be used for settling the cases of the complainants.

In the case of "Lucky Willing", its cargo was given on a court order to a company named UTT which claimed that the owners of Shetraco bought the goods from them but had not paid the price.

Salmeen supported the claim of UTT. They took advantage of the Christmas holidays in 1981, unloaded the entire cargo and disappeared before the lawyer could file an appeal of the court's sentence.

When the lawyer filed the appeal after the holidays, Mohamed Gilani bin Salmeen gave a statement under oath before the court saying that when he testified to the interest of UTT, he was lying and that the truth was that he gave them the complete price of the cargo.

The court then issued another order to UTT to deposit in the court the value of the entire cargo until the court gave its verdict in the case.

The lawyer is starting civil proceedings to restore all the rights of the Gulf merchants from those responsible, especially Shetraco.

The members of the committee

lodged criminal proceedings in the court of Johore Bahru in Malaysia and the police arrested Salmeen and Ghani. After some time in custody, they were released on bail. Their passports were seized to prevent them from leaving.

### Verdict next month

The court verdict is expected in September.

The authorities in Malaysia and Singapore helped in bringing those responsible before the court. The chamber is thankful to all of them.

On this occasion we advise importers not to deal except with companies with good reputation. Information in this regard could be obtained from the chamber.

We also ask them to make clear all their conditions which guarantee the safety of their goods from fraudulent actions in the sea, in the letters of credit.

The letter of credit should contain the condition of goods, inspection certificate before packing the goods, and a certificate regarding the loading of goods aboard ships. It should also stipulate that goods should not be shipped except in ships operating on regular or semi-regular lines. They should also stipulate that the names and addresses of the owners of the ships should be mentioned in the bills of lading when ships are hired.

Merchants should contact the chamber immediately in case such incidents occur.

CSO: 4400/445

## UNITED ARAB EMIRATES

### INCREASE IN DEVELOPMENT SPENDING REPORTED

Dubayy KHALEEJ TIMES in English 15 Aug 82 p 1

[Article by Ahmed Hassan: "UAE To Spend Dh 2.5b on Development"]

[Text] A big increase in government investment in development projects in the country is indicated in the new fiscal year.

The government is likely to spend over Dh 2.5 billion on new investments this year. More than half of the amount is to be invested in development projects within the country. However, nearly Dh 330 million of public spending by the government will go towards the international communications satellite project, one of the largest in the Third World. It is estimated that the communications project will link up many Third World countries with the West by the end of this decade.

There is another telecommunications project within the Arab world to which the UAE is contributing Dh 52.6 million. Here also the entire Arab world is to be linked up by means of a communications satellite. This satellite is to be linked up with the larger system that will become operational in the Third World countries. It is expected to boost multilateral exchanges in the fields of information, education, culture and technology.

In the UAE itself, the government is spending more than DH 6 million to improve telecommunications services within the country as well as links with the rest of the world. Emirtel will be the recipient of the allocated amount.

An estimated 11 million dirham will be contributed by the UAE towards the pan-Arab project for navigation and shipping. A large amount of this capital is expected to be spent on improving dry docks, and ship repairing and maintenance services.

Another pan-Arab project involving the development of a tanker fleet for the transportation of crude and refined oil will also receive more than Dh 2.5 billion from the UAE. The Organisation of Arab Petroleum Exporting Countries (Oapec), is supervising both projects.

On the domestic front, the government is to spend Dh 650 million on the development of real estate this year. More than Dh 1.2 billion have been earmarked for developing productive industrial and agricultural sectors.

The government's contribution towards the development of real estate inside the country will come through its share of capital in the Real Estate Bank. The Real Estate Bank, with a prescribed capital of Dh 2 billion, is expected to become operational soon. A large part of the investments are likely to be made in the Northern Emirates.

CSO: 4400/445

## POSTAL CORPORATION STUDY ACCORD SIGNED

Dubayy KHALEEJ TIMES in English 15 Aug 82 p 3

[Text]

MR Mohammed Saeed Al Mulla, the Minister of Communications, yesterday put his signature to an agreement with a Danish firm of consultants under which Messrs Crone and Koch will undertake a study on the feasibility of converting the postal department of the ministry into an autonomous corporation.

The signing ceremony was held at the minister's Dubai office in General Post Office complex on Zabeel Road. Mr E.V. Sonderstrup, director of Crone and Koch, signed on the firm's behalf.

The minister told newsmen later that the contract for the study, worth one million dirhams, called for the drawing up of detailed recommendations for measures to develop the postal department into a corporate service with branches in all the emirates. It also provided for the continuation of an advisory role by the Danish company at the implementation stage.

According to Mr Sonderstrup, work

on the study, which will take about ten months to complete, is to begin right away. A preliminary survey which helped define the scope of the study had already been made by the firm. It also has at its disposal the services of an official of Denmark's post and telegraph directorate. Mr Helmuth Hansen, head of the directorate's production systems, has been accompanying Mr Sonderstrup.

For the time being the firm will operate from Denmark, but may set up a representative office here later. Data will be assembled with the assistance of the department by officials who will be visiting the UAE from time to time.

Mr Sonderstrup said the primary purpose of converting the postal department into a corporation was to obtain for this essential service greater flexibility of organisation, and more freedom to operate in the light of budgetary and staffing limitations. The expert was of the view that services could be expanded and improved with the streamlining of resources and wider introduction of certain forms of mechanisation which

would keep in view the optimisation of limited labour resources. The extent to which this could be achieved would be established by the study. The basic idea, at any rate, was to improve postal services and make the functioning of post offices more efficient.

The contract with the ministry requires the company to prepare an organisational plan for the new corporation, make functional descriptions of various sections and draft company by-laws. The ultimate goal was the establishment of a self-sustaining public corporation.

Aside from the feasibility study, the ministry's newly-established contacts would enable the further training in Denmark of officials of the postal department both in preparation of corporate functions and departmental duties.

As a corollary to the establishment of the proposed corporation, the study will also make projections on the growth of postal traffic within, into and out of the UAE for the foreseeable future, embracing at the same time an increase in the network of post offices in the country.

CSO: 400/445

## WORLD'S THIRD HIGHEST TOURIST TOWER PLANNED

Kuwait ARAB OIL in English no 8, Aug 82 p 62

[Text]

The Abu Dhabi tourist tower, one of the most ambitious and prestigious projects to be undertaken in the country, is to be modified, with an extra ten meters added to its height.

Designers claim that the tower will reach a height of 280 meters instead of the originally planned 270 meters. However, this height includes nearly 40 meters of antenna. The tower will now be as high as the Munich tower in West Germany, and the third highest in the world. The only towers standing at a greater height are located in Moscow and East Berlin.

The proposed site for the tower is a man made island about 500 meters offshore. The tower will be connected to the Corniche by a bridge, which is expected to be the largest in the area. A road will also be used to link the two, this will be used exclusively as a VIP entrance.

### Conferences

The tower has been designed also as a venue for high level talks, with conference rooms situated at a level of about 50 meters. There will be three passenger elevators, viewing galleries and a revolving restaurant to cater to about 200 visitors, located at a

height of around 200 meters.

At a level of about 213 meters there will be a VIP room and an exclusive area for Majlis. There will also be a small cafeteria to seat 150 persons, which will be located at about 195 meters above ground level.

The tower's designers have also included plans for a small cinema, mosque, shopping arcade and car park to accomodate 600 vehicles. The island on which the tower will be built will have an area of around 31,500 square meters.

The Corniche will also be linked with the tower by a system of cable cars, the first system of its kind to be installed in the region. The Corniche will include bronze statues and marble fountains, and across the bridge planners have designed a public park, which will boast colorful waterfalls and underwater lighting.

The Abu Dhabi Executive Council also discussed plans to build a children's toyland near to the tourist tower, and consultants have been asked to submit their designs for the project.

CSO: 4400/445



## UNITED ARAB EMIRATES

### BRIEFS

**FOURTH INSURANCE COMPANY**--Abu Dhabi is to have one more national insurance company, namely. Emirates Insurance Company, in accordance with a draft law issued by the National Consultative Council, during the last session of its current legislative phase. A spokesman for the Council said early last month that this is the fourth such company in Abu Dhabi. It is to be set up with a paid-up capital of 18 million dollars. The other three companies are the Abu Dhabi National Insurance Company, the Al-Dhafra Insurance Company and the Al-Ain Ahlia Insurance Company. The new company will cover all possible insurance risks including life insurance and protection against burglary. All areas in the agricultural and industrial sectors will also be covered under the comprehensive arrangement. Reinsurance business will form another important feature of the company's operations. The company will soon open branches in the other Emirates and outside the UAE, the spokesman added. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 62]

**AL-RUWAY'S REFINERY PRODUCTION**--The Ruweis oil refinery is soon to increase its production by 60,000 barrels a day, informed sources said yesterday. The refinery complex, which also has a gas liquefaction plant and a fertiliser unit, was opened by the President, His Highness Shakh Zayed bin Sultan Al Nahyan in March this year. It has a production capacity of 120,000 barrels a day. According to the sources, the 300-million-dollar contract signed by Shakh Tahnoun bin Mohammed, Representative of the Ruler of Abu Dhabi in the Eastern Region and chairman of Abu Dhabi National Oil Company (Adnoc), for a sophisticated 'hydro-cracking plant,' will add a new dimension to the Ruweis project. The complex that will house the cracking plant is expected to produce 53 million cubic metres of gas daily. The complex will also have a desalination unit. It is expected that with the installation of the new cracking unit, the oil output will increase substantially. The sources also pointed out that if the plant worked efficiently, the country would, by 1985, become entirely self-sufficient in refined petroleum and gas. A well-known Italian company has been awarded the contract for the fabrication and installation of the plant. The giant 1.2-billion-dirham gas liquefaction project at Ruweis is also making good progress. [Text] [Dubayy KHALEEJ TIMES in English 16 Aug 82 p 3]

**PUBLIC WORKS CONTRACTS**--Minister of Public Works and Housing Mohammed Khalifa Al Kindi yesterday signed nine contracts for the execution of a number of projects in the country at a cost of over 39 million dirhams. The projects include a mosque with a capacity for 400 people in the low-cost housing area of Masafi in the emirate of Fujairah, the offices of the Ministry of Labour and

Social Affairs in Jebel Dhanna in Abu Dhabi, a mosque with a capacity for 400 people in Hoad Gharb area of Abu Dhabi, a clinic in Sharjah, a building for Al Ain courts, houses for teachers in Al Sagi area of Fujeirah, and a school for girls in Khat area of Ras Al Khaimah. [Text] [Dubayy KHALEEJ TIMES in English 12 Aug 82 p 3]

POWER FOR SCHOOLS--A joint committee including the director of the Ras Al Khaimah educational region and officials of the Ministry of Water and Electricity has decided to supply power to several schools in the area preparing for the new academic year. Mr Mohamed Abu Lailah, director of the region, said that the committee took the decision after visiting the schools. The schools include Shaam Preparatory School for girls, Al Nahda Preparatory School for girls in Al Rams, Zubaida School in Al Meireid, Shuhila School in Degdaga, Nasida School in Ras Al Khaimah and Al Muairad Kindergarten. He said the committee also decided to supply schools far from the power lines with generators. [Text] [Dubayy KHALEEJ TIMES in English 12 Aug 82 p 3]

BANK DEPOSITS UP--The deposits of commercial banks operating in the UAE recorded an increase of about half a billion dollars in the first three months of this year compared to the same period last year. The total deposits in commercial banks at the end of March amount to seven billion dollars as against six billion in March 1981 and 7.5 billion in December 1981. A report giving the statistics of the Central Bank shows a noticeable increase in the deposits of individuals and the private sector during the first quarter of this year. Government deposits during this period were 1.5 billion dollars compared with 1.7 billion in March 1981 and two billion at the end of last December. The public sector deposits were 625 million during the first three months of this year compared with 468 million in the corresponding period in 1981 and 704 million at the end of December of 1981. At the end of March 1982 private sector deposits stood at 2.3 billion. It was 1.9 billion at the end of December 1981. The statistics also revealed that among the nongovernment deposits, those in foreign currencies, at the end of March, represented over 35 per cent. More foreign deposits in foreign currencies were concentrated in fixed deposits which amounted to about 90 per cent of the total foreign currency deposits. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 64]

AIRPORT TRAFFIC UP--The total number of passengers using Dubai International Airport during May stood at 27,262, showing an increase of 12.44 per cent over the figures for the same month in the previous year, according to the KHALEEJ TIMES. The daily average of passengers was 977, and air cargo was estimated at 466,278 kilograms, an increase of 6.75 per cent compared to the amount of cargo handled during May last year. The average daily cargo stood at 176,331 kilograms. According to the figures, the number of departures in May reached 75,560, an increase of 6.64 per cent over the same month last year. The average number of daily departures was 2,438 passengers. The number of arrivals stood at 76,059, a daily average of 2,454, and an increase of 6.29 per cent over last year. The number of transit passengers stood at 126,635, an increase of 20.55 per cent over last year. Daily average of transit passengers stood at 4,085. Dubai Airport's export cargo totalled 2,356,884 kilograms, an increase of 13.20 per cent over the same month last year, with a daily average of 43,770 kilograms. Imports stood at 4,109,394 kilograms, showing an increase of 4.78 per cent over last year's May figures. The daily average of imports stood at 132,561 kilograms. [Text] [Kuwait ARAB OIL in English No 8, Aug 82 p 62]